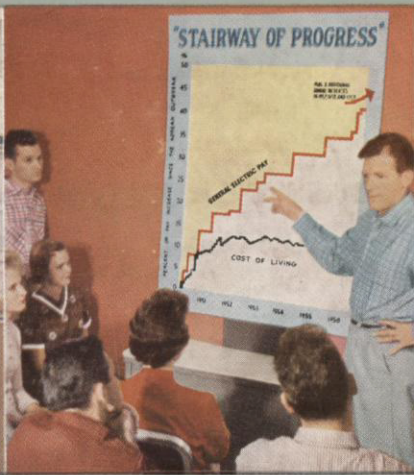


1956 ANNUAL REPORT



SHARE OWNERS are welcomed to Open House of new plant in Hendersonville, N. C.

PROGRESS FOR SHARE OWNERS-linked with progress for customers... employees... other businesses... all citizens



BOARDS
9334,271
G2862

Progress Is Our Most Important Product

GENERAL  **ELECTRIC**

FINANCIAL HIGHLIGHTS OF

1956

IN MILLIONS

	1956	1955	1954
Net sales billed	\$4,090.0	\$3,463.7	\$3,334.7
Federal and Canadian taxes on income (includes renegotiation).	210.0	176.3	202.8
Net earnings.	213.8	208.9	204.4
Dividends declared	172.4	145.9	131.4
Expenditures for new plant and equipment	205.2	161.4	170.6
Depreciation of plant and equipment.	108.7	97.4	86.4

PER SHARE

IN DOLLARS

Federal and Canadian taxes on income (includes renegotiation).	\$2.41	\$2.03	\$2.34
Net earnings.	2.46	2.41	2.36
Dividends declared	2.00	1.70	1.53½
Dividends paid.	2.00	1.60	1.46½

CONTENTS

	PAGE		PAGE
President's Comments	1	1956 Progress for All Citizens	16
1956 Progress for Customers		1956 Progress for Share Owners	
Consumer goods.	2	Sales, dividends	18
Industrial	4	Earnings	20
Apparatus	6	Working capital	21
Electronic, atomic, defense.	8	Plant and equipment	22
1956 Progress for Employees		Consolidated financial statements	24
Manpower development	10	Auditors' Report	27
Pay and benefits	12	15-year summary	28
1956 Progress for Other Businesses	14	Board of Directors	30
		Management	31

In this Report, the terms "General Electric" and "Company" relate to the consolidated group of companies as listed in Note 1 on page 26. The terms "Share Owners," "Common Stock," "Directors" and "Officers" generally apply only to the Parent Company. Wherever other companies or other groups of companies are mentioned, they are specifically identified.

NOTE: Total Company figures used throughout this Report are on the new basis of consolidation described in Note 1, page 26.

GENERAL ELECTRIC
COMPANY

LARGE LAMP DEPARTMENT

NELA PARK . CLEVELAND 12 . OHIO . . . TELEPHONE GLENVILLE 1-6600

Dear Community Neighbor:

It's "Annual Report" time again.

We were most pleasantly surprised by your reception of last year's report. Your gracious comments about General Electric -- and our Lamp Division operations here -- were most gratifying.

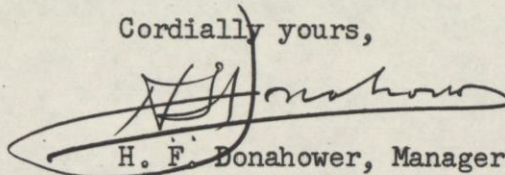
In years past, industry -- ourselves included -- put out stodgy, chart-crammed annual reports. We suspect that they were read only by experienced, trained financial eyes.

Industry's current trend is toward a more readable -- but still factual -- report to shareowners. We hope you, as one of our thoughtful community neighbors, will find the enclosed copy interesting too.

In addition to being more colorful and descriptive, this year's issue makes the pictorial point that the progress of our shareowners is directly linked to the progress of our employees, other businesses, our customers and the public.

Encouraged by your past interest in General Electric, we hope to begin sending your way soon a quarterly newsletter about what's going on in our Company's plans, problems and progress.

Cordially yours,



H. F. Donahower, Manager
Employee & Plant Community Relations

ALABAMA DEPARTMENT

...

Dear County Board:

...

We were most pleased to receive your letter of last week regarding the proposed new electric line. We are very interested in this project and will be glad to discuss it with you at any time.

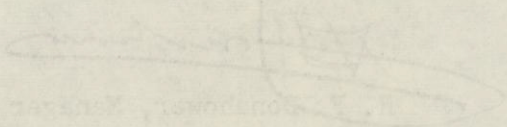
In your letter, you mentioned that the line would be a great asset to the community. We agree with you and are sure that the line will be a great benefit to the area.

Our company is currently working on a number of projects in the area and we are sure that we can find a way to accommodate the new line. We will be glad to discuss the details of the project with you at any time.

In addition to the new line, we are also working on a number of other projects in the area. We are sure that these projects will be a great benefit to the community and we are glad to discuss them with you at any time.

We are sure that the new line will be a great asset to the community and we are glad to discuss it with you at any time. We will be glad to discuss the details of the project with you at any time.

Sincerely,



J. P. Thompson, Manager
General Electric Company

The President comments on the year past... and the opportunities ahead

In 1956, General Electric produced and sold a record \$4,090,015,685 worth of goods and services, an increase of 18% over sales for the year 1955. The electrical manufacturing industry is expected to continue to grow more than twice as fast as the rest of the national economy. Faced with this opportunity for further growth, coupled with sharply increased current demand, the managers of the Company's decentralized Divisions and Departments are continually studying and adjusting their efforts in order to concentrate on projects of primary importance.

Investments in the Future

It is the conviction of General Electric's management that the markets of the future will go increasingly to companies that plan ahead to meet customer wants by making daring investments in manpower, research, new facilities, and development of products and markets. Such investments are a risk—a major risk. But failure to make the investments would be an even greater risk.

Thus, General Electric has been investing in new plant and equipment at a rate that appears to be proportionately greater than that for most other electrical manufacturers. To help finance this expansion program, the Company issued \$300 million in debenture bonds, as reported more fully on page 21. Expenditures for new and modernized facilities in the period 1956–1958 are expected to total more than \$500 million. In 1956, investment in new plant and equipment was \$205 million, the most ever spent by the Company in one year. This brings to approximately \$1.4 billion the Company's total investment in new facilities in the eleven years since World War II.

Such expanded and modernized facilities are, of course, a substantial addition to the nation's industrial capacity. They not only enhance the productivity of the civilian economy, but provide valuable stand-by capacity in the event of a national emergency.

Developing Manpower, Products, Markets

In addition to investing in new facilities, the Company in 1956 reached its highest level of expenditure for manpower development, scientific research, product innovation, and market expansion. General Electric's interpretation of "progress" includes a deep concern for the human as well as the material values. A cross section of the Company's research, for example, would show General Electric people directing their explorations toward human and

social advancement along with their explorations into the physical sciences.

Need for Sound Earnings

General Electric's earnings in 1956, while slightly above those for any previous year, did not rise as rapidly as net sales billed, and this is a challenge toward which the Company's management at all levels is directing its most vigorous and aggressive efforts. Among the factors which had an adverse effect on the Company's 1956 earnings was the unfavorable price situation in the electrical manufacturing industry, resulting in operating margins that were generally too low. Additional factors were the high level of extra costs associated with the record expansion of facilities and the continued expenditure of more than 6% of sales for research and development work.

In planning for the future, General Electric is endeavoring in three principal ways to assure that earnings will support and warrant the proper amount of investment in research, expansion, and modernization: (1) by earning customer acceptance of improved product values and of price levels adequate to maintain growth and progress; (2) by improving its methods of operation; and (3) by minimizing the distractions and temporary costs incidental to expansion and improvement.

An Era of Growth and Service

These are exciting and demanding times in the electrical manufacturing industry. Science is bringing us to the threshold of nearly boundless opportunities. Your Company is determined to do its share in powering the nation's drive toward higher levels of living, greater productivity, and technological advance.

Future progress will, more and more, be a matter of pursuing the most promising opportunities—those in which it appears that General Electric can make a distinctive contribution, and thus earn continued support of its customers. With this constructive approach, the Company hopes to improve its sales and earnings as it continues to serve as a fountainhead of new technology, new employment, new businesses, and new levels of living in America.

Respectfully submitted for the Board of Directors.

Ralph J. Cordiner
PRESIDENT

More and better consumer goods to help

Although U. S. and Canadian consumers make more use of electricity in their homes than other nations of the world, their potential for living still better electrically is increasing every year. Greater public realization of the opportunities for making better use of electric power and electrical products in improving homes and neighborhoods is being sought through three major long-range programs carried forward by the entire electrical industry in 1956. These programs are *Live Better Electrically*, *Housepower* and ACTION, American Council to Improve Our Neighborhoods. Aiming to spur its growth through sharing in a larger market for the whole industry, General Electric intends to participate actively in such industry-wide, market-development activities.

But the greatest progress for the electrical industry and the nation arises from the advances in products resulting from the competition between companies to meet this expanding market. The pictures on these pages show that the flow of new developments in consumer goods from General Electric continued at a high level in 1956, helping the Company's Consumer Products Group attain a new high in the total volume of its sales of appliances, electric housewares, radios, television receivers, lamps and air-conditioning equipment.

OUTSTANDING 1956 DEVELOPMENTS IN CONSUMER PRODUCTS: Back row (left): new $\frac{3}{4}$ hp. Thin-line All-Weather room air conditioner heats or cools automatically. Range design features wider ovens, thermometer alarm which buzzes when meat is done. Dealer explains "Mobile Maid" portable dishwasher. Unified kitchen center incorporates four appliances. Filter-Flo clotheswasher matches new high-speed dryer. Refrigerator-freezer (right) has new "straight-line" design, facilitating built-in appearance.

MIDDLE ROW (left): 1956 lamp developments include power-groove fluorescents which double light output, and new coloramic lamps for home decoration. TV receiver features power tuning and remote-control tuning. New home air conditioner (right) is installed outside home, requiring only a small cooling coil indoors.

FRONT (left): 9-inch portable TV weighs only 13½ lbs. Automatic skillet is smaller version of popular family-size model. Automatic heater circulates fan-forced heat through entire room. New iron heats up in 30 seconds. Super-grind Disposall has stronger, faster grinding mechanism. Video-clock timer has many uses—example: it turns on favorite TV programs. Toast-oven includes oven for making buttered toast, canapés, etc. "Snooz-alarm" clock lets you snooze an extra 10 minutes, then calls you again—twice, if necessary. Twinkle lamps add sparkle to Christmas decorations. New PowerMite flashbulbs have 65% greater light output. Customer holds new all-transistor radio.



LOOKING AHEAD: NEW WEATHERTRON MODEL. In addition to the standard-size model at left, a new model has been designed especially for all-electric heating and cooling of smaller homes. Weathertron Department General Manager H. M. Brundage (right) shows new model to dealer M. T. Moran of Bloomfield, N. J.



1956 — another peak year in serving industrial customers

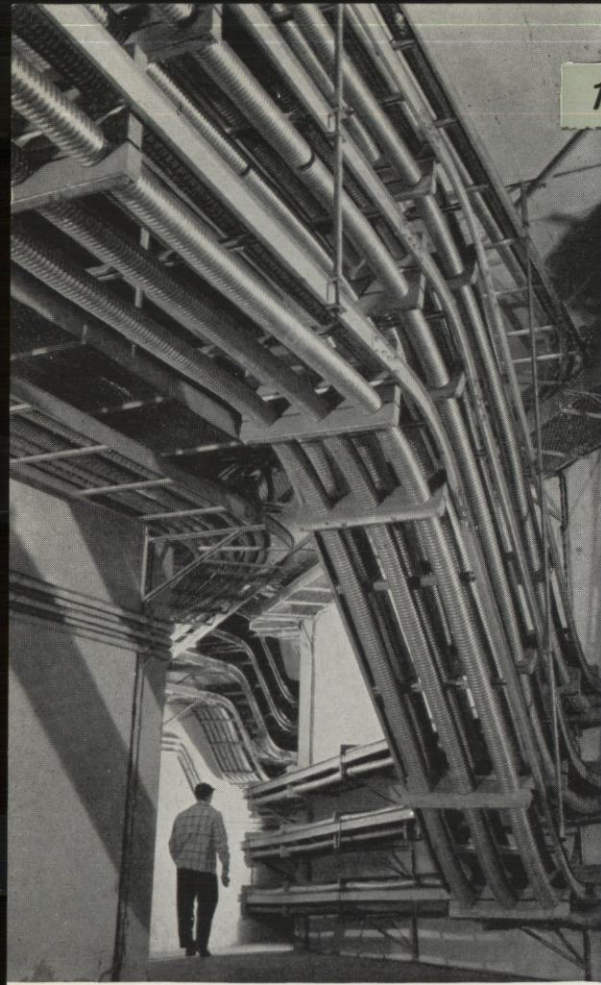
America's unequalled productivity, key to the nation's economic and military strength, depends increasingly on the amounts of electrical energy that enable the workman in industry to get his work done. In 1956 the amount of electricity used by the average worker rose to 20,500 kilowatt-hours—the equivalent, in human energy, of more than 300 assistants.

Helping General Electric's industrial customers achieve further gains in productivity for the benefit of all citizens through more effective use of electric power is one of the primary concerns of the Company's Industrial Components and Materials Group. Representative of 1956 developments of general benefit to these customers is a new static switching system providing more flexible equipment to meet the complicated requirements of automation.

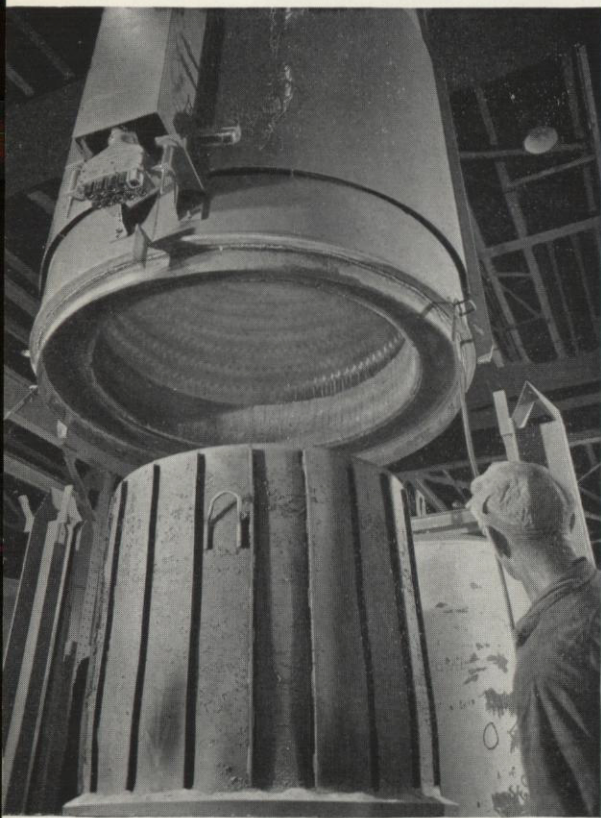
The Departments in this Group also engineer the electrical components and electrical systems that enable other companies to serve their customers in new and better ways. New small electric motors, timing devices and control systems especially designed for appliances, for example, will aid the development of more automatic conveniences for the nation's homes. General Electric supplies these "nerves and muscles" for appliances to many manufacturers.

The Divisions and Operating Departments comprising the Industrial Components and Materials Group increased this indirect service to the public in 1956, achieving new high levels in the Group's production and sales.

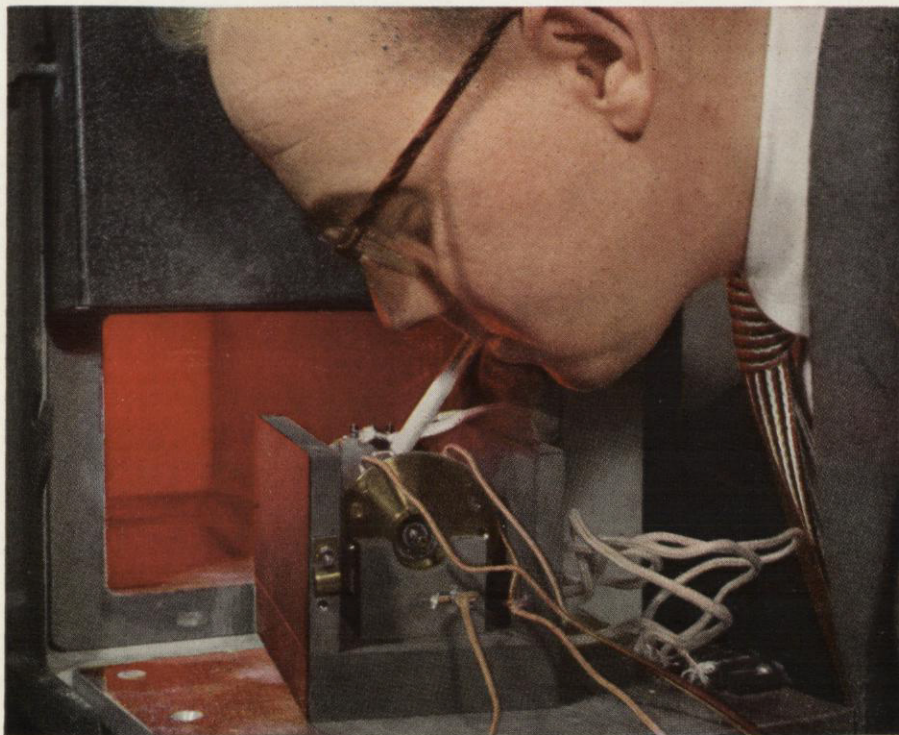
The Group also includes the International General Electric Company Division, which enjoyed its best year in the dollar volume both of products exported to other nations and of products manufactured by foreign subsidiaries.



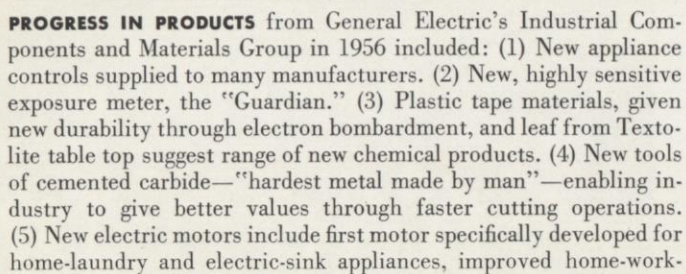
MASSIVE CABLE installation uses General Electric interlocked armor cable to carry electricity to new wind tunnel in Cleveland, Ohio.



HEAT FOR INDUSTRY is the special field to which employees at the Company's new Shelbyville, Ind., plant apply themselves. The big bell furnace, above, helps steel producer cut costs in the annealing of silicon steel.



LOOKING AHEAD: HIGH-TEMPERATURE MOTOR operates at over 900°F.—hot enough to light a cigarette. Developed by General Electric motor engineers and General Engineering Laboratory specialists, it is typical of components designed to operate under extreme temperatures in supersonic aircraft, missiles and satellites.



An aerial photograph of the Bix Creek Bridge under construction at night. The bridge spans a wide river, with its illuminated structure and support piers clearly visible against the dark water. In the foreground, a large barge or temporary structure is positioned near the riverbank, with a bright light reflecting off the water. The background features a dark, silhouetted mountain range under a night sky.

A

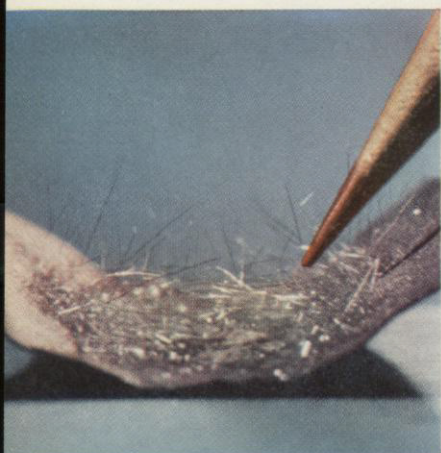
Record year in helping utilities bring "More Power to America"

The United States accounted for approximately 42% of the world's production of electric power in 1956. Yet the nation's electrical industry confidently expects that in the next twenty years the country's production of electricity will rise to more than four times the present levels. In contrast with the record utility output of 601 billion kilowatt-hours in 1956, this would mean a production of 2,500 billion in 1976.

During 1956, the product departments in General Electric's Apparatus Group helped the utilities prepare to meet these future power needs in three principal ways:

- By booking orders for an unprecedented volume of power generation and distribution equipment,
- By further expansion of manufacturing facilities, putting three new plants into production, as well as further expanding and modernizing existing facilities,
- By accelerating research and engineering work directed toward breaking the technical barriers that must be overcome if the nation is to have the large blocks of power that its future will demand.

The Company's scientists and engineers are continuing to develop ways to give the industry more power per pound of equipment. As an example, a typical advanced turbine-generator today has $2\frac{1}{4}$ times the capacity of units built seven years ago, with only a 60% increase in weight and with the heaviest part still within shipping limitations.

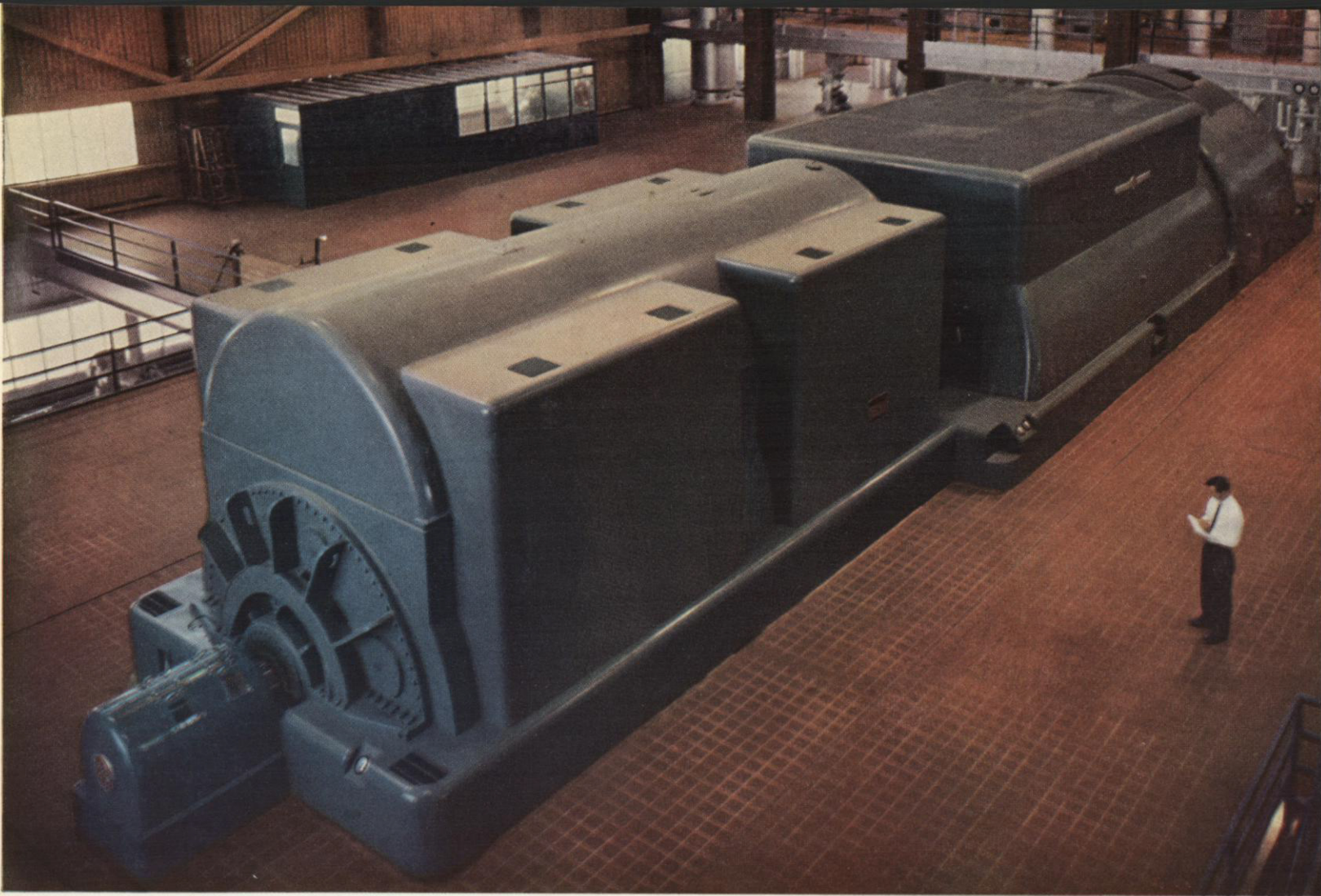


LOOKING AHEAD: PERFECT CRYSTALS of iron in the shape of tiny whiskers produced in the Company's Research Laboratory have tensile strengths 150 times that of ordinary iron crystals. They foretell outstanding new advances in metallurgy making possible further progress in electrical equipment.

ELECTRICAL OIL-DRILLING transmission system developed by General Electric offers greater speed and economy of operation than mechanical systems. Below: installed on offshore drilling barge off Louisiana coast. The system has also been developed for portable diesel-electric rigs for use on land.

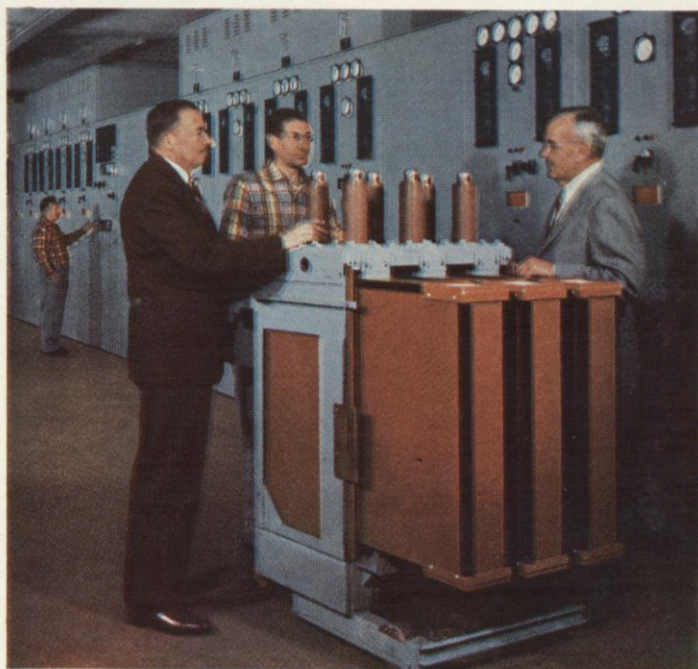


POWER FOR ALUMINUM INDUSTRY: New General Electric pumpless mercury-arc rectifier system is more reliable, compact, and efficient supplier of direct current for aluminum production. When installed by four major aluminum producers, the development will help in increasing the nation's aluminum production 44% in the next two years. Above: rectifiers in Texas aluminum plant.

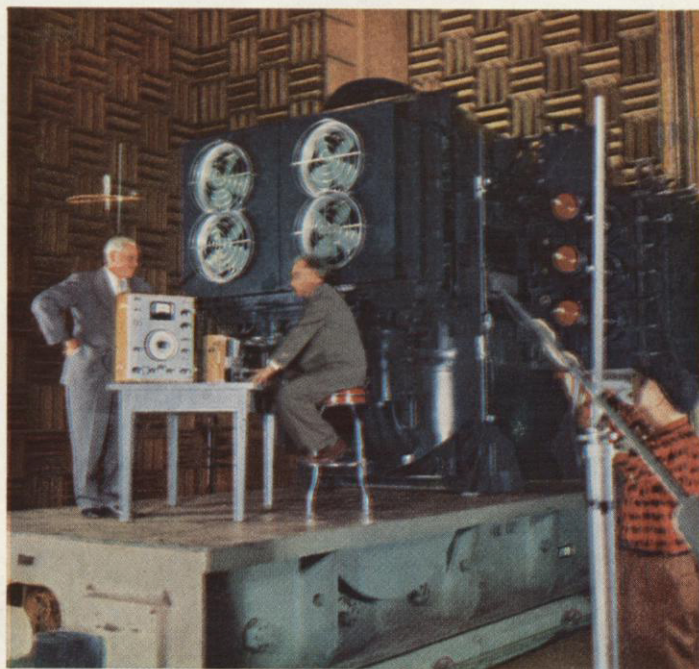


PROGRESS IN POWER GENERATION: The big power maker above, designed and built by General Electric for a utility customer, breaks new ground in generator design. The first large unit to use liquid

cooling, it achieves a 75% increase in generator output without any increase in physical dimensions. Its 260,000-kw of electricity can supply the residential power needs of nearly a million people.



PROGRESS IN DISTRIBUTING ELECTRICITY: The metal-clad switchgear above houses a new advance in General Electric magne-blast circuit breakers for controlling larger amounts of power. The new higher interrupting rating of 750 MVA requires little more space than earlier units, yet will handle 50% more power. H. F. Hentschel (left), general manager of the Company's Medium Voltage Switchgear Department, discusses first installation with utility customer.



NEW GAS-FILLED TRANSFORMER represents an important new direction for heavy power equipment. Insulated by gas instead of oil, the new units are quieter, lighter and make possible major savings in materials—200 pounds of gas do a better job than 10,000 pounds of oil. J. W. Seaman (left), Power Transformer Department general manager, and Guglielmo Camilli, supervisor of advanced engineering, view final tests in the Pittsfield, Mass., sound laboratory.

New developments in electronic, atomic and defense equipment

ROCKETS TO PENETRATE OUTER SPACE: new rocket engine's uses include launching of *Vanguard* space satellite as part of International Geophysical Year.

General Electric's 1956 developments in electronic, atomic and defense equipment represented bold advances on the frontiers of science and technology. Pictured here are some of the projects vital to the nation's growth and security on which the Electronic, Atomic and Defense Systems Group was at work during the year.

NEW ENGINES FOR MILITARY AND COMMERCIAL JETS: General Electric's latest jet engine, the J79, in 1956 powered the world's fastest fighter and the world's fastest bomber. A modified version of this engine will soon power commercial airliners at speeds of more than 600 mph., helping to bring jet travel to America. *Left:* Neil Burgess, manager of the J79 Project, shows model of jet liner to Gerhard Neumann, general manager of the Jet Engine Department.

OVERCOMING THE HEAT AND RADIATION BARRIERS: Electronic circuits, transformers and other equipment capable of operating at blowtorch temperatures came out of General Electric research and development in 1956. Concepts incorporated in these components will help development of missiles, satellites and hypersonic aircraft capable of piercing the "thermal barrier." Components are also better able to withstand nuclear radiation.



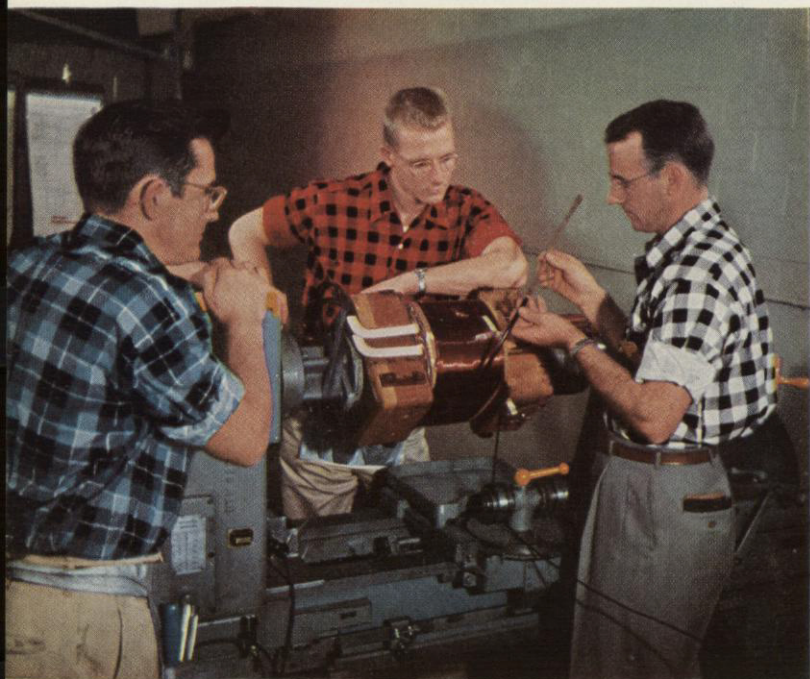
SERVING THE EXPANDING ELECTRONICS MARKET: New equipment for mass-producing transistors was developed to help meet industry demands in 1956 triple those for 1955. To serve the expanding electronics market, General Electric realigned its organization in 1956, replacing the former Electronics Division with three new Divisions—Industrial Electronics, Electronic Components and Defense Electronics Divisions.



ATOMIC POWER FOR PEACE AND FOR DEFENSE: General Electric began a multi-million-dollar investment in facilities for development of atomic-electric power. Among the new facilities is the Vallecitos Atomic Laboratory at Pleasanton, Calif., which will include an experimental boiling-water reactor housed in the metal structure above. Knowledge gained from this experimental reactor will aid the Company in its major civilian

atomic project, the design and construction of the world's largest all-nuclear power plant yet scheduled—a 180,000-kw plant which is expected to supply atomic electricity to the Chicago area by the end of 1960. Canadian General Electric is developing Canada's first atomic power plant. General Electric's principal atomic defense projects are listed among the Company contributions to the defense program on page 16.

Mutually rewarding progress for employees and the Company through **Helping each employee develop to his full usefulness**



TRAINING IN FACTORY SKILLS at new Hickory, N. C., plant is an example of more than a thousand such courses offered by General Electric in 1956. Walter Jenkins (left) and Lloyd Bouman prepare for work on coil-winding machines with instruction from Fred Arndt.



FROM APPRENTICE TO ENGINEER: Paul Gagnon, an employee at the Somersworth, N. H., meter plant, is typical of an increasing number of young men at General Electric who are receiving college classwork while participating in the Apprentice Training Program. Under a cooperative arrangement worked out by the plant's management with the University of New Hampshire, Gagnon received his engineering degree and is now employed as an engineer by the Company. The Company's college-apprentice programs enabled 452 employees to participate in college-level studies in 1956.

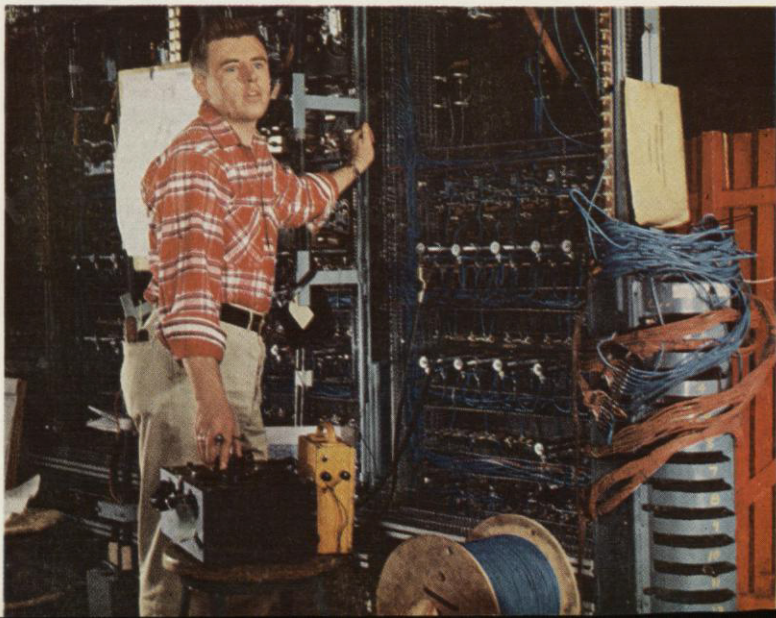
One of the chief ways in which the Company seeks to merit the decision of talented people to make their careers with General Electric is by constantly trying to enlarge the opportunities by which each employee can develop to his full usefulness.

In 1956 the General Electric employee who had the initiative and the will to better himself could find opportunities for development according to his abilities and his interests. The Company conducted over a thousand courses in factory skills either to orient people to new work opportunities or to prepare them for better jobs. At major plant locations, 1,990 young high-school graduates participated in the Apprentice Training Program. These and other employees received opportunities to progress either toward college degrees or toward increased competence and better jobs through advanced functional training.

During the year a record total of more than 1,800 young college graduates joined General Electric direct from college. Of this number, more than 85% began their career training by enlisting in one of the ten programs designed specifically to fit them for responsibilities in the major functional areas. For more experienced employees there were increased opportunities to develop as professional contributors in the major functions of business.

Similarly, the climate for manager development was broadened, with 6,551 employees availing themselves of opportunities to study the professional work of managing.

TECHNICIAN PROGRAM enables the Company to better utilize its technical manpower by offering opportunities to graduates of two-year technical colleges and institutes. One of 148 young men participating in the program in 1956, C. H. Farrell handles the technical work in testing of electrical control equipment.





COMPANY'S COURSES FOR COLLEGE GRADUATES include formal programs in advertising, apparatus sales, atomic development, chemistry and metallurgy, engineering, finance and accounting, manufacturing, marketing, physics, and public and employee relations. Company representative H.G. Hutton, center above, discusses General Electric career opportunities with University of Connecticut students.



ADVANCED MARKETING MANAGEMENT SEMINAR is representative of educational opportunities for more seasoned employees. Participants study and discuss advanced marketing theories and practices under the conference leadership of professional educators. Speaker above: Prof. C. R. Christensen of Harvard University.

ADVANCED MANAGEMENT COURSE participants at the Company's new Management Research and Development Institute at Crotonville, N. Y., form one of four such groups studying advanced concepts of professional management during 1956. Speaker shown addressing class below is Moorhead Wright of the Institute staff. In addition, the professional work of managing was studied by 6,252 participants in 373 Professional Business Management classes at plant locations.



Continuing progress in employee compensation



AID IN MEETING MEDICAL EXPENSES of even a "catastrophic" nature is provided by General Electric's Better Living Program. Example: David Goldstein, engineer at the Lynn, Mass., plant, and his wife were injured in a serious auto accident. The Comprehensive Medical Insurance Plan paid \$7,346 of the \$9,197 in costs.



TOP SUGGESTION WINNERS in the Company in 1956 represent the 34,728 employees who contributed usable ideas for improvements in the Company's products and operations. Mrs. Helen Mason, highest award winner among women employees, hears E. T. Doane explain his \$4,165 suggestion for a tool which reworks fittings without removing them from jet engines. 1956 was the 50th anniversary of the Company's Suggestion Program.

TOP CANADIAN WINNER, receiving the highest award from Canadian General Electric in five years, was Albert Saunders of the Peterborough, Ont., plant. His suggestion cut production costs of motor parts.



General Electric's emphasis on the worthwhile personal satisfactions of its employees carries into the Company's attitude toward the compensation of employees in exchange for their interest, initiative, skill, care, effort and teamwork. Compensation at General Electric is interpreted broadly to include not only monetary returns but also the value of benefit programs. In 1939 the average General Electric employee earned \$2,026 a year including the value of benefits. In 1956 a General Electric position was, on the average, worth well over 2½ times as much, and included a broad package of pension, insurance, vacation, holiday and other benefits providing better economic security and personal satisfaction.

Expenditures for pay and benefits rose again in 1956. This was in part due to increased employment. Part was also due to arrangements worked out with employees individually and to arrangements worked out with more than 90 unions representing other Company employees.

Employees benefited from the first full year of the more than 30 improvements included in the Company's Better Living Program. Among these benefits was the aid that many employees received in meeting medical costs ranging from the more normal types of expense up through the "catastrophic." The Company's insurance plan covers over half a million people, including employees and dependents. Medical benefits paid during 1956 totaled \$28 million.

Employee life insurance coverage under the features of the Better Living Program rose to \$3 billion at the end of 1956. Participation in the Insurance Plan increased to 99% of all eligible employees. These participants now enjoy life insurance protection equal to twice the individual's annual pay, payable upon death for any cause and an additional payment in cases of accidental death.

As another result of the Better Living Program, employee contributions to the Company's Pension Plan were reduced. At the end of 1956 the Company was making payments to over 18,000 pensioners.

Among other features designed to make employment at General Electric better in small ways as well as in big ones, a new Emergency Aid Plan was made available to employees in 1956. Other benefits in effect for employees include improved provisions for vacations, holidays, jury duty and time lost due to deaths in employees' families.

The goals of broader job opportunities with just rewards for work well done are available to *all* General Electric employees throughout the organization, providing incentive for each individual to develop to his full usefulness.



GENERAL ELECTRIC'S SAFEST YEAR was achieved in 1956. Chemical and Metallurgical Division employees at Coshocton, Ohio, plant celebrate their 8 millionth man-hour without a lost-time accident—best safety record in the Company. Studies indicate that General Electric employees are six times safer at work than at home.

BETTER LIVING PROGRAM, covering planned advances in employee pay and benefits over a five-year period, is discussed with employees in new Irmo, S.C., plant by Foreman William S. Stewart. Second year's operation of the Program brought employees' earnings, including benefits, during 1956 to a record \$1.6 billion.



FULLER LIFE FOR PENSIONERS: Stanley W. Sullivan, who retired from the Erie, Pa., plant five years ago, appeared on television on the General Electric Theater in 1956 to explain the benefits of the Company's Pension Plan. Sullivan's retirement hobby: creating ceramics which Mrs. Sullivan decorates.

Developing mutually rewarding relationships with other businesses

General Electric continued in 1956 to work with many thousands of other American business enterprises in ways that are of mutual benefit to them and to the Company:

1. through purchases of parts, materials and services from an estimated 42,000 suppliers, 90% of them small businesses;
2. through providing profitable business opportunities for an estimated 400,000 independent retailers who apply their ability and initiative in the sales, installation and service of General Electric products;
3. through pioneering new products, new businesses and broad new marketing programs which open up opportunities for other business enterprises as well as General Electric; and
4. through taking on the responsibilities of big projects and selecting assignments which can be tailored to the scope of smaller or more specialized enterprises.

General Electric's payments to suppliers approximated 48 cents of each dollar received from customers in 1956. The Company also broadened its use of Value Analysis Seminars, a research and training activity of Manufacturing Services. These serve to bring together Company representatives and interested suppliers in a mutual appraisal of Company products and production methods. Suppliers' suggestions have frequently meant lower costs or better products to the Company, while bringing new business to the supplier. A total of 16 Seminars held in 1956 were attended by over 3,000 representatives from 1,219 companies.

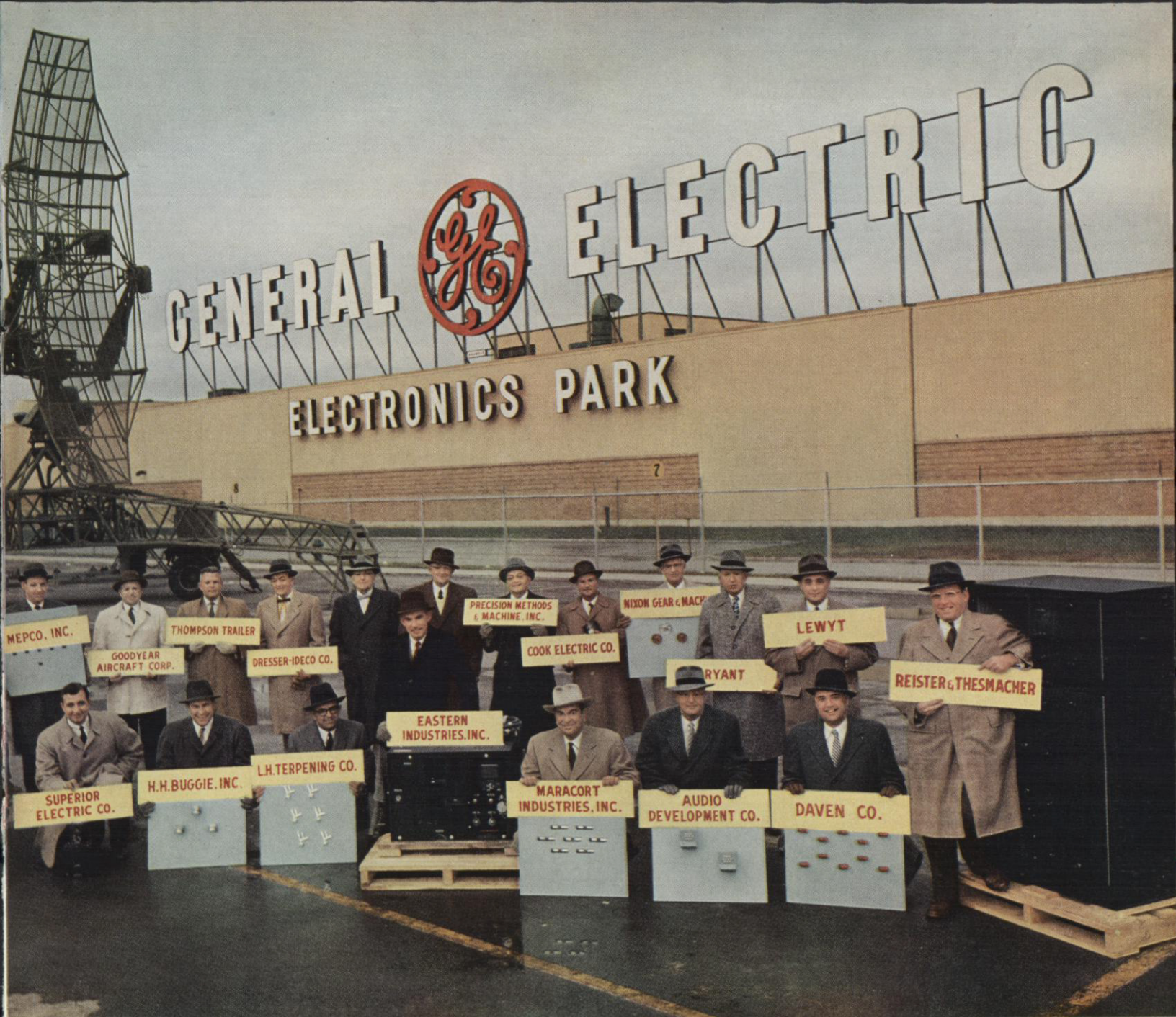
Indicative of the steps taken by General Electric which help build the business of retailers as well as of the Company was the introduction of a new Kitchen-Laundry Modernization Finance Plan by the General Electric Credit Corporation. The Plan enables home owners to finance all costs of over-all kitchen-laundry improvement, and can be applied to home heating and cooling modernization.



SUPPLIERS' CONFERENCE

VALUE ANALYSIS SEMINARS conducted by General Electric represent an established channel by which suppliers can develop business for themselves by contributing useful ideas concerning improvements in Company products or manufacturing methods. *Right:* W. R. Molnar, engineer in the Company's Home Laundry Department, discusses parts of the combination washer-dryer with representatives of four supplier firms.





OPPORTUNITIES FOR SUPPLIERS made possible by General Electric's role in taking on big projects and breaking them up into assignments that can be handled by smaller or more specialized businesses are dramatized by meeting of representatives of 22 out of the 800 com-

panies serving as suppliers to the Heavy Military Electronics Equipment Department at Syracuse, N. Y., which builds large radar units. At center (back row) are J. J. Farrell, General Manager of the Department (right), and O. B. Dillenbeck, Manager of Materials.

TYPICAL RETAILER: Example of an independent businessman who has developed a successful business as a dealer in the Company's products is James Emerson, dealer in Hotpoint products in St. Louis, Mo. Emerson is shown discussing with customers the new Electronic Cooking Center from Hotpoint.



Progress for the nation as a whole

In the regular conduct of General Electric's total business, the Company's activities contribute to the social as well as material progress of the nation.

During the year the Company continued to spend more than three times as much, per dollar of sales, on research and development as the average for all manufacturing companies. The Company's research and development, beginning with the work of 1,333 scientists and supporting personnel in the Research Laboratory at Schenectady, N.Y., supplemented by the work of 41 other laboratories in the Company, broadened man's knowledge and prepared the way for the innovation of new and improved products that serve to advance the nation's standard of living.

General Electric's provision for Federal, Canadian, state and local taxes and renegotiation amounted to \$259.6 million in 1956. Federal and Canadian taxes on income, and renegotiation, alone totaled \$210.0 million, or \$38 million more than the amount paid to share owners for

the use and risk of their capital. In addition to this provision for direct payments, it is estimated that another invisible tax bill of some \$350 million is hidden in the prices of the \$2.0 billion of materials, components and services received from suppliers.

As a contributor to the country's defense, General Electric concentrated on many of the most complex problems of military technology requiring broad-scale resources in technical manpower and facilities. The major defense projects on which the Company worked in 1956 included: aircraft nuclear propulsion, nuclear power plants for propulsion of atomic-powered submarines, radar for defense against guided missiles and aircraft, missile guidance, air-borne radar, gas-turbine engines for jet aircraft, turbines for ship propulsion, gunfire control and other specialized equipment of an advanced nature.

Other ways in which General Electric's progress benefited the nation as a whole are pictured on these pages.



ENERGIZER OF NEW GROWTH: General Electric's developmental work on gas turbine power plants led the way to a rapidly expanding new business in 1956. As an example: a unit installed in the 1942 Liberty Ship *John Sergeant* increased the ship's speed more than 80% and made it into one of the fastest, most efficient and maneuverable cargo ships afloat.



GOOD NEIGHBOR: In each of 123 communities in which General Electric has plants, the Company aims at being a good neighbor. One of the ways of achieving this goal is through setting up effective channels by which employees and the Company itself can support community activities. The doctors and nurses above thank employees of the Schenectady, N.Y., plant for oversubscribing substantially in support of a program to enlarge and modernize the Ellis Hospital.



MORE DEFENSE FOR THE TAXPAYER'S DOLLAR is a constant aim of General Electric in its work on national defense projects. The giant computer pictured above makes possible a direct saving in money, and a potential saving in lives, by enabling engineers to simulate the flight of new jet engine designs before they are built, thus eliminating

many time-consuming false starts and reducing the possibilities of engine failure. The simulator was built for the Air Research and Development Command by the Flight Propulsion Laboratory Department of the Aircraft Gas Turbine Division, with the assistance of the General Engineering Laboratory at Schenectady, N. Y.

AID TO EDUCATION: Representative of the many ways in which General Electric aids the nation's schools and colleges, the Company contributes to the General Electric Educational and Charitable Fund which, through its Corporate Alumnus Program (below), encourages employees to contribute to colleges by matching the amount of their gifts up to \$1,000, thus doubling the income to the college. A total of 362 colleges participated in the program in 1956. Right: the Company seeks to improve the teaching of mathematics and science in high schools through sponsoring summer fellowships enabling teachers to receive further college study. A total of 250 teachers attended five different colleges in 1956.



CORPORATE ALUMNUS PROGRAM

1956



362 COLLEGES
& UNIVERSITIES
PARTICIPATED
IN 1956

Greatest number of share owners benefit from record sales, earnings, dividends

General Electric's prosperity and growth in 1956 was of direct benefit to 362,122 share owners of record, an increase of 23,559 over the comparable average number for 1955. In addition, the Company's progress was shared by an estimated 94,000 beneficial owners who have their shares registered in the names of brokers or nominees of banks and trust companies.

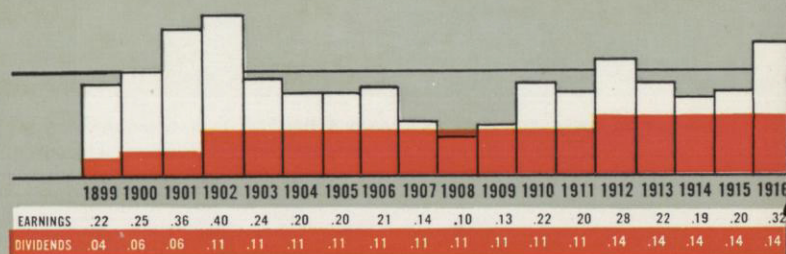
Sales go over \$4 billion, up 18%

Net sales billed by General Electric Company amounted to \$4,090 million in 1956. This was an 18% increase over sales of \$3,464 million for the previous year. (Results shown for 1956 and prior years are on a new basis of consolidation, as explained in Note 1 on page 26.)

Total net sales billed included two divergent trends. Sales of the Company's commercial product departments increased by 23% over 1955, while defense product departments were showing a 3% sales decline.

For the Company's 91 commercial product departments, sales of \$3,446 million in 1956 were a new high. Each of the four broad product areas made up by these departments—apparatus, consumer products, industrial components and materials, and commercial electronic and atomic products—shared in the increased sales. In the apparatus and consumer products areas, sales gains in the first half of 1956 became even more substantial in the second half. In the other two areas—electronics and industrial components and materials—first-half sales showed

Per-share data are stated in terms of present common stock, as based on average number of shares outstanding during each year, adjusted for stock splits. Dividends shown represent cash dividends declared. There have also been, from time to time, dividends distributed in the form of stock.



a substantial upsurge over the previous year, then leveled out at about the same rate for the second half of 1956.

The Company's 13 defense product departments accounted for 16% of total sales in 1956 compared with 19% in 1955. After successive declines for two and one-half years, however, the sales of these departments in the latter half of 1956 were slightly higher than during the first six months.

Shown on the chart to the right are General Electric sales for 1947 through 1956 compared with the Federal Reserve Board Index of Industrial Production for the United States. The Company's sales are shown both as reported and as adjusted to 1947-49 price levels using the General Electric product price index. The Federal Reserve Board index stood at 143 in 1956, an increase in industrial production of 43% over the 1947-49 period. On a generally comparable basis—i.e., at 1947-49 price levels—General Electric's 1956 sales showed an increase in physical volume of 89% over sales for the same three years.

SHARE OWNERS AT OPEN HOUSE at new Outdoor Lighting Department plant in Hendersonville, N. C., is indicative of General Electric's efforts to provide greater opportunities for participation by share owners. Owners throughout the region received special invitations. Employee-Share Owner E. K. Howell (left) explains street-light manufacture to Mr. and Mrs. R. M. Knoop, Mrs. Howell and the Howell twins, Margaret Anne and Kathryn.

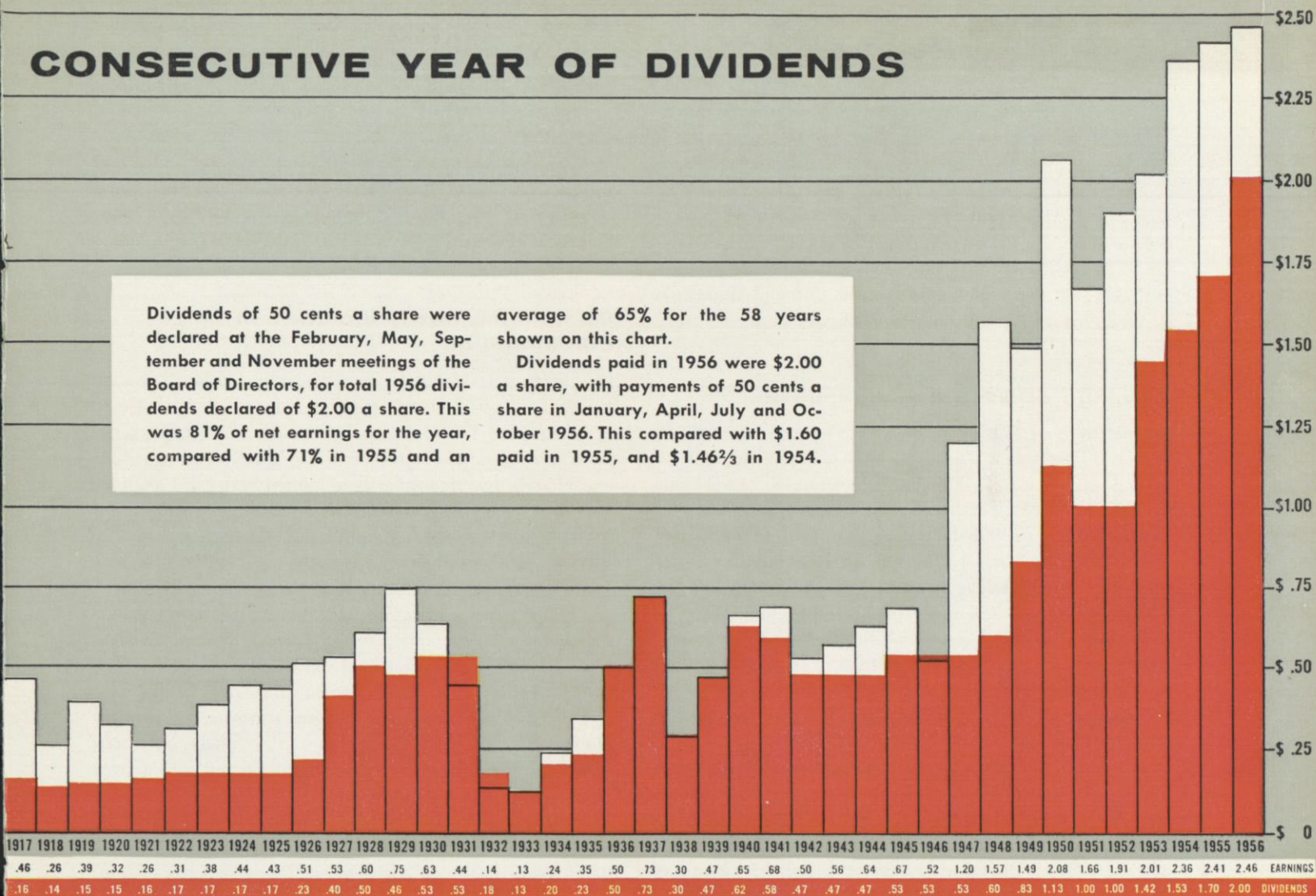


CONSECUTIVE YEAR OF DIVIDENDS

Dividends of 50 cents a share were declared at the February, May, September and November meetings of the Board of Directors, for total 1956 dividends declared of \$2.00 a share. This was 81% of net earnings for the year, compared with 71% in 1955 and an

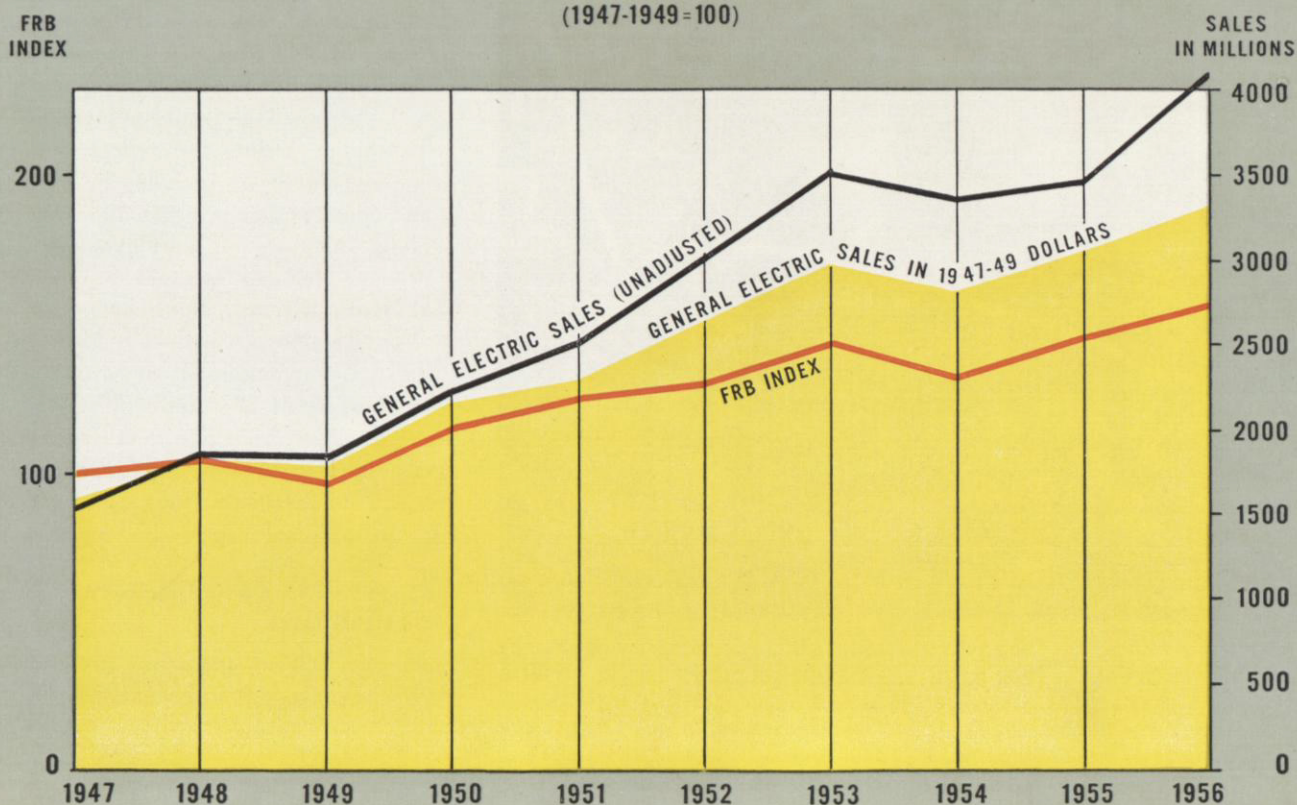
average of 65% for the 58 years shown on this chart.

Dividends paid in 1956 were \$2.00 a share, with payments of 50 cents a share in January, April, July and October 1956. This compared with \$1.60 paid in 1955, and \$1.46 $\frac{2}{3}$ in 1954.



SALES VERSUS FEDERAL RESERVE BOARD INDEX OF INDUSTRIAL PRODUCTION

(1947-1949=100)



1956 Progress for Share Owners

Orders received during the year for heavy apparatus and defense products, mostly for production and shipment in 1957 and later, were at a rate substantially in excess of sales billed. As a result, the Company's backlog of unfilled orders rose considerably during 1956, and represented a new high at the end of the year. This unfilled order position indicates that the 1956 level of production and shipments in these lines of products will generally be exceeded in the year 1957.

Earnings of \$213.8 million, up 2%

Net earnings of \$213.8 million were equivalent to \$2.46 a share. This was a 2% increase over 1955 earnings of \$208.9 million, or \$2.41 a share. Earnings were 5.2 cents per dollar of sales, compared with 6.0 cents in 1955.

Net earnings in 1956 did not increase to the same degree as the Company's sales. This was attributable, in part, to the continuing high level of extra costs associated with the Company's expansion and relocation program. Another factor was the cost of research and product development, which reached an unprecedented high in 1956. In addition, for the last few years the price levels in the markets where the Company sells its products have not risen enough to offset increasingly higher costs.

As a result of the Company's expansion and modernization expenditures' leveling out for a time under the current three-year, \$500 million schedule, the extra costs from this program are expected to decline as a percentage of sales billed. Also, during the latter half of 1956, and

particularly in the last quarter of the year, there were market-price increases for most products, and additional increases for certain lines are expected in 1957. The price increases in 1956, most of them effective late in the year, had little effect on 1956 earnings, but will have an effect on sales and earnings for 1957.

Companies newly included in consolidation

On January 3, 1956, the separate corporate existence of General Electric Distributing Corporation, formerly a wholly owned subsidiary, was discontinued. At the same time, the accounts of all other United States and Canadian subsidiaries dealing primarily in United States or Canadian currency were consolidated with those of the parent company, except those of General Electric Credit Corporation. The net earnings of this latter subsidiary, which is a sales finance company, are included in nonoperating income.

The principal companies included in the new consolidation for the first time are the former General Electric Distributing Corporation, and Canadian General Electric Company, Limited, a 99.4%-owned subsidiary. In addition, 8 United States and 5 Canadian subsidiaries are included, 10 of these for the first time. Previously, only dividends received from these newly consolidated subsidiaries were included in net earnings.

To provide proper comparison with prior years' data, information shown in this Annual Report for 1955 and prior years has been adjusted to the same basis of consolidation followed in 1956.

Employee compensation at new high

As shown on the tabulation underneath the chart on the opposite page, employment costs of \$1,528 million, included in costs applicable to sales, rose to a new high with the record sales and employment levels. This amount does not reflect changes in employment costs included in inventories and construction projects, nor does it include amounts for employees at atomic projects operated for the U. S. Government at Hanford, Wash., and Schenectady, N. Y.

Total employee earnings and benefits during the year amounted to \$1,644 million, an increase of \$271 million, or 20%, over the total for 1955. The number of employees in 1956 averaged 280,497, compared with 250,306 the previous year, an increase of 30,191 employees.

Payments to suppliers set record

The portion of the Company's dollar—48%—representing materials, and all

THE NUMBER OF GENERAL ELECTRIC SHARE OWNERS 1930-1956



SHARE OWNERS attending the Company's 1956 Annual Meeting form an appropriate background for chart showing continued growth in number of share owners of record. The number of employee-share owners also increased. Employees, pensioners and former employees who have received shares through participating in the Company's Savings and Stock Bonus Plan total 52,369. Approximately 77,000 other employees are in the process of acquiring shares under the Plan.

other costs, accounted for a record total of \$1,993 million in 1956, a substantial increase over the \$1,667 million, or 48% of gross revenue, for such items in 1955. The bulk of this amount represented payments to suppliers from which the Company purchased goods and services.

New capital secured by \$300 million debenture issue

It became apparent late in 1955, following a reappraisal of future demands for General Electric products, that to finance the Company's plant expansion and the increased inventory and receivables required for the anticipated higher sales, a substantial increase to the Company's capital structure would be required in 1956. Plans for an offering of long-term debentures, supplemented by short-term loans as required from time to time, were approved by the Board of Directors and were announced at the Annual Meeting in April 1956. An issue of \$300 million of 3½% debenture bonds, due May 1, 1976, was sold in May 1956 at a price of \$100½ for a total of \$301,500,000. After deducting costs of issue of \$3,227,782, the net proceeds to the Company of the issue were \$298,272,218. The terms of the issue included provision for sinking-fund payments of \$13 million annually from 1961 through 1975, and the Company has the option of doubling the sinking-fund payment in any year. Included in total interest and financial charges of \$9.5 million for 1956 was \$6.3 million applicable to these debentures.

Return on capital invested was 15.3%

Return on capital invested (defined as share owners' investment plus long-term debt and notes payable) at December 31 amounted to 15.3% in 1956, compared with 17.8% in 1955. Largely because of the Company's \$300 million debenture issue, used to finance increased working capital and plant expenditure requirements, capital invested increased by 23% over December 31, 1956 while net earnings for the year (after interest on borrowed money) increased only 2%, resulting in a decline in the return on capital invested for 1956. Return on share owners' investment in capital stock and reinvested earnings amounted to 18.7% in 1956 compared with 19.2% in 1955.

Net working capital increased in 1956

Net working capital (the excess of current assets such as cash, accounts receivable and inventories over current

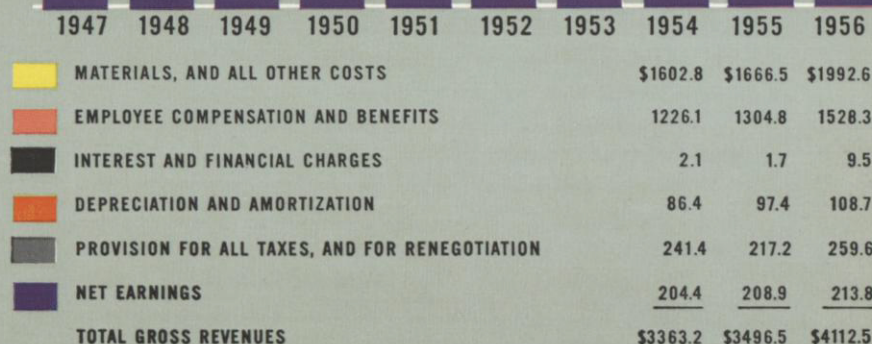
HOW GENERAL ELECTRIC'S REVENUE WAS USED

BILLIONS
\$4.0

3.0

2.0

1.0



	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956
MATERIALS, AND ALL OTHER COSTS										
EMPLOYEE COMPENSATION AND BENEFITS										
INTEREST AND FINANCIAL CHARGES										
DEPRECIATION AND AMORTIZATION										
PROVISION FOR ALL TAXES, AND FOR RENEGOTIATION										
NET EARNINGS										
TOTAL GROSS REVENUES										

	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956
MATERIALS, AND ALL OTHER COSTS										
EMPLOYEE COMPENSATION AND BENEFITS										
INTEREST AND FINANCIAL CHARGES										
DEPRECIATION AND AMORTIZATION										
PROVISION FOR ALL TAXES, AND FOR RENEGOTIATION										
NET EARNINGS										
TOTAL GROSS REVENUES										

(Amounts in millions)

liabilities, or obligations payable within one year) amounted to \$590.3 million at the close of 1956. This was an increase of \$244.7 million during the year compared with a \$23.0 million decrease in 1955:

	(In millions)	
	1956	1955
<i>Additions to net working capital</i>		
Net earnings for the year	\$213.8	\$208.9
Depreciation for the year	108.7	97.4
Debenture issue	300.0	—
	<u>622.5</u>	<u>306.3</u>
<i>Uses of net working capital</i>		
Expenditures for plant and equipment	205.2	161.4
Dividends on common stock	172.4	145.9
All other—net	0.2	22.0
	<u>377.8</u>	<u>329.3</u>
Change in net working capital	<u>+\$244.7</u>	<u>-\$ 23.0</u>

1956 Progress for Share Owners

One of the principal ways in which a company can make efficient use of its invested capital is to keep its working capital to as low a point as possible, consistent with the needs of the business. General Electric Company strives to accomplish this largely through efficient control of such items as cash, receivables and inventories. The largest single item involved in the management of working capital is the Company's inventories, which amounted to \$768 million at the close of 1956.

By placing increasing emphasis on inventory turnover (the ratio to sales of average inventories), turnover has been increased from 4.3 times in 1947 to 6.0 times in 1956. This compares with a ten-year average of 4.9 times.

By the close of 1956, however, inventories had risen to a level representing an increase of \$179 million over inventories at the end of 1955. The increase resulted in part from (1) accumulation of work in process inventories against backlogs of unfilled orders for heavier products with longer manufacturing cycles, and (2) build-up of inventories of industrial materials and consumer products in the field for increased sales levels realized in 1956 and anticipated for 1957.

Investments totaled \$152 million

A portion of the Company's capital funds is invested in securities of other companies and loans to subsidiary companies. The investment account, at \$152 million at the close of 1956, showed an increase of \$9 million during the year.

The Company's investments at the end of 1956 consisted of four principal items:

Investment in General Electric Credit Corporation totaled \$104.4 million, of which \$76.0 million consisted of advances to the Credit Corporation in the form of loans by the Company, and \$28.4 million consisted of the Company's equity in common stock and reinvested earnings of this Corporation.

Investment in foreign nonconsolidated subsidiaries consisted of the cost (\$24.1 million) of the Company's investment in 26 subsidiaries dealing primarily in currencies other than United States and Canadian dollars, plus \$9.4 million in advances to these subsidiaries.

Investment in General Electric common stock amounted to \$12.3 million and was the cost of 415,055 shares held at the end of 1956 for corporate purposes. A summary of 1956 transactions follows:

	Number of Shares
Shares of \$5 par value common stock held at January 1, 1956	577,947
Transactions in 1956:	
Under the Incentive Compensation Plan:	
Delivered in lieu of cash payments . . .	57,033
Contingently allotted	18,481
Requirements for 1956 under the General Electric Employees Savings and Stock Bonus Plan	81,783
Charitable donations in lieu of cash . . .	4,200
Other awards to employees	1,395
Total shares used	162,892
Shares held at December 31, 1956	415,055

Miscellaneous securities, totaling \$9.7 million, were carried at cost. These securities had an estimated market or fair value of \$34 million.

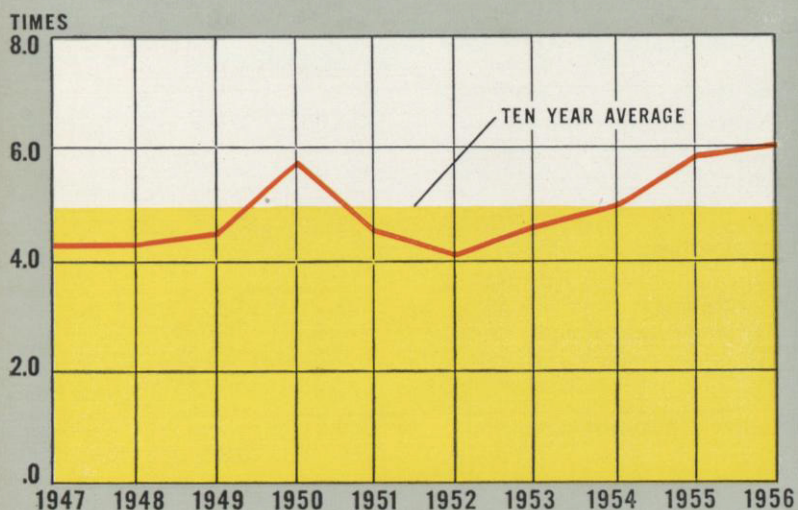
Plant and equipment investment

Another major use of invested capital is for additions to the Company's plant and equipment accounts. Details of additions and removals from these accounts and the cost of plant and equipment are shown on page 26. In brief, the cost of new facilities added during 1956 was \$205.2 million compared with \$161.4 million in 1955 and \$170.6 million in 1954. Since the close of World War II, \$1.4 billion has been invested in new or modernized plant and equipment. At the close of 1956 the Company had 159 manufacturing plants with floor space of approximately 73.6 million square feet, located in 123 cities and 34 states, territories and provinces of the United States and Canada.

Depreciation and amortization totaled \$108.7 million in 1956, and represented 8.6% of the cost of plant and equipment at the beginning of the year. This compared with \$97.4 million in 1955, which was 8.4% of cost at the beginning of the year. Five-year amortization under certificates of necessity totaled an estimated \$16.6 million in 1956. Of this amount, \$8.3 million represented amortization in excess of normal depreciation.

As pointed out in the Company's last two annual reports, for many years prior to 1954 the amount of depreciation

ANNUAL INVENTORY TURNOVER HAS IMPROVED IN RECENT YEARS



which the domestic companies were allowed for Federal tax purposes was less than the amount provided by these companies on their books. Under new depreciation methods first permitted for tax purposes in 1954, these companies are claiming for tax-deduction purposes the greater portion of the cost of a new facility in the early years of asset life, with lower deductions in the later years of life. The increase in tax depreciation with respect to facilities acquired in the years 1954 through 1956 is expected to result in approximately equal depreciation provisions for both book and tax purposes in 1956.

At the close of 1956, certificates of necessity were in force for facilities in place or to be constructed with an estimated cost of \$213.1 million. Approximately 66% of this amount will be amortized over a period of five years for both book and tax depreciation, the balance being depreciated at normal rates.

Incentive Compensation

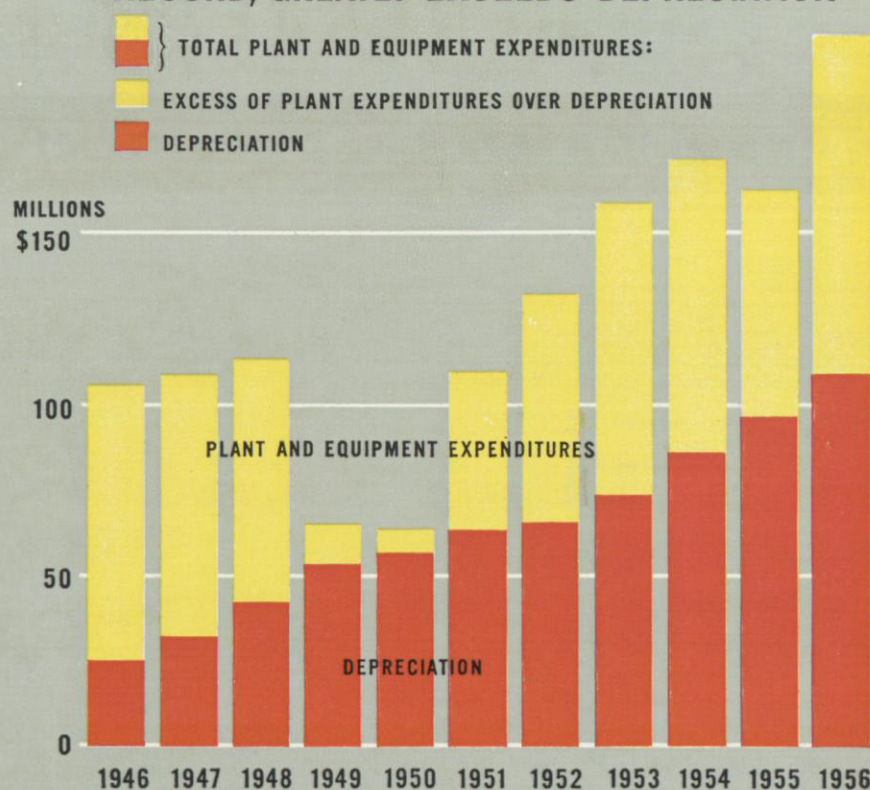
Under the Company's Incentive Compensation Plan—approved in its present form by the share owners in 1951—incentive compensation is awarded by the Compensation Committee (none of whom is eligible to participate) of the Board of Directors to selected employees of the Company in managerial or other important positions who contribute materially to the Company's success. Incentive compensation and other bonuses provided in 1955 by the companies included in the present consolidation amounted to \$13,782,597 of which \$13,137,727 was allotted in 1956.

Stock Option Plan

A total of \$6,814,341 was received in 1956 from the sale of 267,668 shares of previously unissued stock to holders of restricted stock options under the Company's Stock Option Plan. Of this total, \$1,338,340 represented the \$5 par value of the shares sold, and was added to the Common Stock account. The balance of \$5,476,001 was added to Investment in Excess of Par Value of Common Stock.

The Stock Option Plan, approved by the holders of 97.8% of the shares voted at the 1953 Annual Meeting, provides for the granting of restricted stock options to key employees. The option price is market value on the date of grant, so there is no benefit to the option holder unless the market price of the stock increases, which benefits all share owners. This acts as incentive for the employee to use his best efforts on behalf of the Company. As inducement to remain in the service of the Company, options may not be exercised immediately, but only in annual installments (over a period generally of nine or

1956 INVESTMENT IN NEW FACILITIES SETS RECORD, GREATLY EXCEEDS DEPRECIATION



ten years), which become exercisable as the individual remains in the employ of the Company.

At the beginning of 1956, General Electric Company had a total of 3,258,195 shares of common stock subject to outstanding options. No additional restricted stock options for purchase of the Company's common stock were granted in 1956; 267,668 shares were purchased, as noted below; 76,771 shares were deducted from original grants in 1956 because of deaths, retirements and withdrawals; leaving outstanding options for 2,913,756 shares at the end of 1956. These outstanding options were held by 917 individuals. In submitting the Plan to share owners, it was estimated that between 700 and 1,200 key employees would eventually participate in the Plan. Of 4,200,000 shares which the share owners authorized for use under the Plan, 680,364 were unallotted at the close of 1956. A summary of 1956 transactions is shown below:

Option price	Year of grant	Net* original grants	Installments not yet exercisable	Exercisable installments as yet unpurchased	Shares purchased in 1956
\$23¾	1953	1,423,363	939,146	76,524	176,312
24½	1953	788,742	532,806	80,156	71,753
45	1954	608,698	466,267	121,727	17,900
52¼	1955	698,833	618,716	78,414	1,703
		<u>3,519,636</u>	<u>2,556,935</u>	<u>356,821</u>	<u>267,668</u>

* After deducting terminations of 154,653 shares because of deaths, retirements and withdrawals.



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	1956	1955
Cash.....	\$ 66,493,875	\$ 99,286,587
Marketable securities at lower of amortized cost or market (equal to approximate market)	606,069	46,399,795
Receivables, less reserves*	635,733,446	515,555,622
Inventories, less reserves (Note 3).....	768,046,752	588,697,002
	1,470,880,142	1,249,939,006
Less: Collections from customers on contracts in progress.....	198,326,720	160,288,887
Anticipated price adjustments on government contracts.....	30,395,129	54,111,296
TOTAL CURRENT ASSETS	1,242,158,293	1,035,538,823
Investments and advances, less reserve (Note 4)*.....	152,261,897	143,275,422
Plant and equipment, less accumulated depreciation*.....	713,303,119	620,848,017
Other assets*.....	113,423,611	103,401,926
TOTAL ASSETS	2,221,146,920	1,903,064,188
Notes payable and bank loans of consolidated subsidiaries.....	8,535,521	92,005,584
Accounts payable*.....	143,604,839	127,115,840
Dividends payable.....	43,179,053	42,975,790
Federal, Canadian and other taxes accrued.....	227,497,878	219,582,286
Other costs and expenses accrued*.....	229,022,806	208,203,568
TOTAL CURRENT LIABILITIES	651,840,097	689,883,068
3½% debentures due May 1, 1976 (Note 5).....	300,000,000	—
Other liabilities*.....	85,095,156	75,575,274
Deferred income (Note 6).....	2,166,603	808,834
Miscellaneous reserves.....	37,017,364	45,274,072
Minority interest in Canadian General Electric Company, Ltd.....	1,686,631	1,718,893
TOTAL LIABILITIES, RESERVES AND MINORITY INTEREST	1,077,805,851	813,260,141
Excess of assets over liabilities, reserves and minority interest—ownership.....	\$1,143,341,069	\$1,089,804,047
OWNERSHIP EVIDENCED BY:		
Common Stock (Note 7).....	\$ 435,718,310	\$ 434,379,970
Investment in excess of par value of common stock (Note 8).....	43,038,244	32,147,720
Reinvested earnings.....	664,584,515	623,276,357
TOTAL SHARE OWNERS' INVESTMENT	\$1,143,341,069	\$1,089,804,047

* Details shown on page 26

CURRENT EARNINGS**1956****1955****1954**

Net sales billed	<u>\$4,090,015,685</u>	<u>\$3,463,734,419</u>	<u>\$3,334,708,206</u>
Depreciation and amortization of plant and equipment* ..	108,650,473	97,368,721	86,402,742
All other operating costs, expenses and charges.....	<u>3,570,464,717</u>	<u>3,012,069,806</u>	<u>2,867,424,451</u>
Total operating costs, expenses and charges (Note 9)	<u>3,679,115,190</u>	<u>3,109,438,527</u>	<u>2,953,827,193</u>
INCOME FROM OPERATIONS _____	<u>410,900,495</u>	<u>354,295,892</u>	<u>380,881,013</u>
Nonoperating income:			
Net earnings of General Electric Credit Corporation	7,269,671	6,569,090	5,360,967
Miscellaneous other income—net	<u>15,221,014</u>	<u>26,226,368</u>	<u>23,146,811</u>
	22,490,685	32,795,458	28,507,778
Deduct: Interest and other financial charges	<u>9,504,493</u>	<u>1,740,422</u>	<u>2,114,173</u>
	<u>12,986,192</u>	<u>31,055,036</u>	<u>26,393,605</u>
EARNINGS BEFORE PROVISION FOR TAXES ON INCOME, AND RENEGOTIATION _____	<u>423,886,687</u>	<u>385,350,928</u>	<u>407,274,618</u>
Provision for Federal and Canadian income taxes, and for renegotiation	<u>210,000,000</u>	<u>176,295,655</u>	<u>202,792,710</u>
Net earnings before minority interest.....	<u>213,886,687</u>	<u>209,055,273</u>	<u>204,481,908</u>
Minority interest in subsidiary's net earnings.....	<u>129,838</u>	<u>147,219</u>	<u>110,591</u>
NET EARNINGS APPLICABLE TO THE COMPANY'S COMMON STOCK (Note 10) _____	<u>\$ 213,756,849</u>	<u>\$ 208,908,054</u>	<u>\$ 204,371,317</u>
Net earnings per share.....	\$2.46	\$2.41	\$2.36
Dividends declared per share.....	\$2.00	\$1.70	\$1.53⅓
Dividends paid per share.....	\$2.00	\$1.60	\$1.46⅔

REINVESTED EARNINGS

REINVESTED EARNINGS AT BEGINNING OF YEAR	<u>\$ 623,276,357</u>	<u>\$ 560,295,933</u>	<u>\$ 739,770,867</u>
Add: Net earnings for year	<u>213,756,849</u>	<u>208,908,054</u>	<u>204,371,317</u>
	<u>837,033,206</u>	<u>769,203,987</u>	<u>944,142,184</u>
Deduct: Dividends declared	<u>172,448,691</u>	<u>145,927,630</u>	<u>131,444,387</u>
Amount transferred to common stock as a result of change from stated to par value.....	<u>—</u>	<u>—</u>	<u>252,401,864</u>
	<u>172,448,691</u>	<u>145,927,630</u>	<u>383,846,251</u>
REINVESTED EARNINGS AT END OF YEAR _____	<u>\$ 664,584,515</u>	<u>\$ 623,276,357</u>	<u>\$ 560,295,933</u>

* Details shown on page 26

DETAILS OF ITEMS IN STATEMENTS

RECEIVABLES:	1956	1955
From nonconsolidated subsidiaries.....	\$ 36,014,888	\$ 27,514,841
Other, less reserves.....	599,718,558	488,040,781
	<u>\$635,733,446</u>	<u>\$515,555,622</u>
INVESTMENTS:		
General Electric Credit Corporation		
Equity in net worth.....	\$ 28,352,069	\$ 21,082,398
Advances.....	76,000,000	76,000,000
Foreign nonconsolidated subsidiaries		
Investments at cost.....	24,114,741	20,102,267
Advances.....	9,391,120	8,517,949
General Electric common stock.....	12,253,689	16,498,604
Miscellaneous securities.....	9,650,278	8,574,204
	<u>159,761,897</u>	<u>150,775,422</u>
Less: Reserve.....	7,500,000	7,500,000
	<u>\$152,261,897</u>	<u>\$143,275,422</u>
PLANT AND EQUIPMENT:		
Plant and equipment at cost.....	\$1,419,678,915	\$1,264,522,903
Less: Accumulated depreciation and amortiza- tion.....	706,375,796	643,674,886
Cost less accumulated depreciation and amorti- zation.....	<u>\$ 713,303,119</u>	<u>\$ 620,848,017</u>
OTHER ASSETS:		
Noncurrent receivables, less reserve.....	\$ 39,300,976	\$ 23,345,572
Funds for employee benefit plans and taxes withheld—per contra in Other Liabilities....	48,807,353	39,953,338
Funds for payments under U.S. Government con- tracts—per contra in Other Liabilities.....	5,096,816	8,907,396
Deferred charges, less reserve.....	16,657,496	27,705,378
Securities deposited as guarantees.....	549,758	636,158
Loans and advances to employees.....	3,011,212	2,854,084
	<u>\$113,423,611</u>	<u>\$103,401,926</u>
ACCOUNTS PAYABLE:		
To nonconsolidated subsidiaries.....	\$ 5,948,533	\$ 2,354,596
Other.....	137,656,306	124,761,244
	<u>\$143,604,839</u>	<u>\$127,115,840</u>
OTHER COSTS AND EXPENSES ACCRUED:		
Payrolls accrued.....	\$ 25,488,069	\$ 24,264,351
Interest expense accrued.....	1,819,627	10,479
Other costs and expenses accrued—includes liabilities for replacements under guarantees, renegotiation, discounts and allowances to customers, employee benefit costs, etc.....	201,715,110	183,928,738
	<u>\$229,022,806</u>	<u>\$208,203,568</u>
OTHER LIABILITIES:		
Noncurrent accounts payable.....	\$31,190,987	\$26,714,540
Liability for employee benefit plans and taxes withheld—per contra in Other Assets.....	48,807,353	39,953,338
Liability for payments under U.S. Government contracts—per contra in Other Assets.....	5,096,816	8,907,396
	<u>\$85,095,156</u>	<u>\$75,575,274</u>

DEPRECIATION AND AMORTIZATION INCLUDED IN COSTS

Year	Normal depreciation	Amortization in excess of normal depreciation	Total depreciation and amortization
1954.....	\$78,722,223	\$7,680,519	\$86,402,742
1955.....	88,608,906	8,759,815	97,368,721
1956.....	100,361,528	8,288,945	108,650,473

PLANT AND EQUIPMENT ADDITIONS AND DISMANTLEMENTS

Year	At Cost	Accumulated depreciation on dismantlements
	Additions	Dismantlements
1954.....	\$170,604,490	\$41,801,463
1955.....	161,350,111	49,378,694
1956.....	205,215,636	50,059,624

NOTES to financial statements

NOTE 1—Basis of consolidation—These financial statements and accompanying schedules represent a consolidation of the accounts of the Parent Company—General Electric—and those of all wholly owned or substantially wholly owned subsidiary companies dealing primarily in United States or Canadian currencies, except General Electric Credit Corporation, a sales finance subsidiary. Subsidiaries conducting their businesses primarily in currencies other than those of the United States and Canada are referred to herein after as "foreign nonconsolidated subsidiaries." Heretofore, the consolidated statements included only those companies whose businesses involved manufacturing within the United States.

All significant intercompany items have been eliminated from the accompanying consolidated financial statements.

The accounts of Canadian subsidiaries for 1956 were converted to U. S. dollars at par. Total assets in Canada on December 31, 1956 were \$122,323,333 and liabilities were \$45,324,333.

The financial interests of the consolidated companies in General Electric Credit Corporation and foreign nonconsolidated subsidiaries were carried on the consolidated statement of financial position as investments, on the valuation bases described in Note 4.

NOTE 2—Former subsidiary—The separate corporate existence of the former General Electric Distributing Corporation was discontinued, and it became a part of the Parent Company on January 3, 1956. From that date, taxable profit on inventories no longer arose from transfer of products to the wholesale houses which were operated by the Distributing Corporation as a separate corporation prior to 1956. In order to state prior years' earnings and taxes on a basis comparable with 1956, Federal income tax provisions for 1955 and prior years have been recomputed as though the Distributing Corporation had been an integral part of the Parent Company.

NOTE 3—Inventories at substantially all locations were verified by physical count during the latter part of the year. Inventories were carried at cost, exclusive of certain indirect manufacturing expenses and intercompany profits, and less reserves which made provision for possible losses on inactive and excess stocks. Carrying value was not in excess of market. Cost of substantially all inventories of manufacturing components in the United States has, since 1955, been determined on a last-in, first-out (LIFO) basis. The cost of other inventories, principally those of domestic distributing components and Canadian components, with a net value of \$173.3 million, was determined on a first-in, first-out (FIFO) basis.

NOTE 4—Investments and advances less reserve—Carrying value of investment in General Electric Credit Corporation represented the sum of outstanding advances to, and equity in the net worth of, this Corporation. Hereofore, the excess of earnings over dividends received from General Electric Credit Corporation was credited to reinvested earnings. In 1956 the Company adopted the policy of reflecting all earnings of this subsidiary in the consolidated statement of current earnings. General Electric Credit Corporation borrowings from outside sources at December 31, 1956 amounted to \$222,428,656.

Carrying value for foreign nonconsolidated subsidiaries represented the sum of outstanding advances to, and cost of the investments in, these subsidiaries. The cost of these investments did not exceed the consolidated group's equity in such subsidiaries. In 1955 and prior years, these investments were valued on the basis of the consolidated group's equity in such subsidiaries, and the difference between dividends received and the earnings of the subsidiaries was credited or charged to reinvested earnings. Since the investments are now carried at cost, only dividends received are recorded and are reflected in the statements of current earnings.

Investment in General Electric common stock represented the cost of 415,055 shares held for corporate purposes, such as requirements for the General Electric Savings and Stock Bonus Plan, payments under the Company's incentive compensation plan, and patent awards to employees. At December 31, 1956, these shares had a quoted market value of \$25,007,064.

Miscellaneous securities were valued at cost. On December 31, 1956, their fair value was \$33,937,888.

NOTE 5—General Electric Company 3½% debentures mature May 1, 1976, with interest payable on May 1 and November 1. The bonds are to be redeemed by sinking fund payments of \$13 million annually from 1961 through 1975. The Company, at its option, may make additional annual payments of up to \$13 million, and also has the option of redeeming all or part of the bonds at any time upon payment of redemption premiums ranging downward from 5.5%. The bond indenture also provides certain limitations on pledge, mortgage, or disposition through sale and lease-back of manufacturing properties.

NOTE 6—Deferred income at December 31, 1956, included \$1,431,782 of unamortized premium received from the sale of debentures during 1956. The premium is being returned to income as an offset to interest expense over the period in which the debentures are scheduled to be outstanding.

NOTE 7—Common stock authorized at the end of 1956 and 1955 was 105,000,000 shares of \$5 par value. Of these shares, 87,143,662 shares and 86,875,994 shares were issued at December 31, 1956 and 1955, 267,668 shares being issued in 1956 under the Company's stock option plan. See Page 23 for further details.

NOTE 8—Investment in excess of par value of common stock represented profits realized on the disposition of Treasury stock and the premiums received on original sales of common stock.

NOTE 9—Costs, expenses, and charges do not include any material amounts applicable to atomic projects operated for the U. S. Government at Hanford, Washington and Schenectady, New York.

NOTE 10—Revision of prior years' figures: For comparative purposes the figures for 1955 and 1954 included in the accompanying statements have been revised from those previously reported, to reflect (a) the new basis of consolidation (note 1); (b) the change in the method of valuing investments and in the method of recording income therefrom (note 4); and (c) the merger of General Electric Distributing Corporation into General Electric Company on January 3, 1956 (note 2).

INDEPENDENT AUDITORS' REPORT

to the Share Owners and Board of Directors of General Electric Company

We have examined the consolidated statement of financial position of General Electric Company and subsidiaries as of December 31, 1956, and the related statements of earnings for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated state-

ments present fairly the financial position of General Electric Company and subsidiaries at December 31, 1956, and the results of their operations for the year then ended, in conformity with generally accepted accounting principles, which, except for the changes in the basis of consolidation (Note 1) and the method of valuing investments and of recording income therefrom (Note 4), which we approve, have been applied on a basis consistent with that of the preceding year.

Seventy Pine Street
New York 5, N. Y.
February 18, 1957

Peat, Marwick, Mitchell & Co.

Peat, Marwick, Mitchell & Co.
Certified Public Accountants

GENERAL  ELECTRIC

15

year
summary

Dollar Amounts in Millions	1956	1955	1954	1953	1952	1951
Net sales billed	\$4,090.0	\$3,463.7	\$3,334.7	\$3,510.6	\$2,993.4	\$2,619.6
Nonoperating income—net	22.5	32.8	28.5	37.8	22.0	21.0
Employee compensation, including benefits (b)	1,528.3	1,304.8	1,226.1	1,247.3	1,063.2	947.9
Materials, supplies, etc. (c)	1,992.6	1,666.5	1,602.8	1,686.5	1,398.0	1,157.9
Depreciation and amortization charges (d)	108.7	97.4	86.4	73.6	65.6	62.0
Interest and other financial charges	9.5	1.7	2.1	2.5	1.9	1.4
Federal and Canadian income taxes, and renegotiation (e)	210.0	176.3	202.8	323.7	282.1	290.4
Other taxes (f)	49.6	40.9	38.6	41.0	39.7	37.3
Net earnings	213.8	208.9	204.4	173.8	164.9	143.7
Dividends declared	172.4	145.9	131.4	121.6	85.9	85.9
Total employee earnings and benefits (g)	1,643.8	1,372.4	1,250.9	1,311.7	1,118.5	1,050.0
Average number of employees (g)	280,497	250,306	243,622	257,091	239,478	232,981
Capital invested (h)	\$1,451.9	\$1,181.8	\$1,071.9	\$1,000.5	\$926.3	\$830.7
Average number of share owners	362,122	338,563	277,047	247,944	252,837	252,993
Product price index (i)	124	115	119	118	114	114
Plant expenditures	\$205.2	\$161.4	\$170.6	\$158.7	\$132.2	\$109.4
Long term debt and notes payable December 31	308.5	92.0	51.9	58.2	37.5	23.6
Earnings as a percentage of sales	5.2%	6.0%	6.1%	5.0%	5.5%	5.5%
Earned on capital invested (j)	15.3%	17.8%	19.2%	17.6%	18.0%	17.5%

(a) See Note 1, page 26, for new basis of consolidation.

(b) Excludes compensation applicable to inventories at year end, that chargeable to capital projects, and that applicable to atomic projects at Hanford, Wash., and Schenectady, N. Y. Includes pensions, insurance, social security taxes and all other employee benefits.

(c) Includes all other applicable costs, expenses and charges.

(d) The 1945 charges also include the previously unamortized balance of the cost of emergency facilities remaining at the end of World War II.

(e) Amounts shown cover provision for taxes applicable to operations for the year, less claims for refunds of taxes on income for prior years and estimated postwar refunds of excess profits taxes.

(f) Includes principally state and local income, franchise and property

1950	1949	1948	1947	1946	1945	1944	1943	1942
\$2,233.8	\$1,851.6	\$1,865.6	\$1,526.0	\$912.1	\$1,467.2	\$1,534.5	\$1,459.9	\$1,061.3
15.3	8.9	17.7	15.6	11.2	8.0	15.3	7.8	5.2
764.3	710.1	717.6	599.0	428.4	497.7	556.0	556.2	431.2
998.0	855.1	855.6	710.3	432.0	764.2	732.1	668.8	414.2
56.0	52.6	42.7	31.7	23.8	44.5	29.0	28.7	28.0
4.8	4.9	5.7	5.6	1.3	0.6	0.8	1.3	1.3
217.4	86.4	103.3	74.1	14.3	98.2	155.3	146.4	131.5
28.9	22.2	22.1	16.8	7.3	11.6	21.1	17.7	17.4
179.7	129.2	136.3	104.1	44.8	58.4	55.5	48.6	42.9
97.1	71.0	51.4	46.1	46.1	46.1	40.3	40.3	40.3
814.6	718.9	770.0	647.1	458.6	484.3	545.9	556.0	458.2
205,935	199,833	216,197	202,511	173,298	173,651	190,930	195,029	162,288
\$715.1	\$775.5	\$755.6	\$658.8	\$592.8	\$370.6	\$357.3	\$348.0	\$339.3
249,530	250,562	249,311	249,351	246,013	238,975	232,925	226,386	220,504
103	101	101	98	82	(i)	(i)	(i)	(i)
\$63.4	\$67.6	\$113.3	\$108.1	\$105.6	\$44.1	\$14.3	\$16.0	\$33.3
—	144.5	184.3	226.7	222.9	3.4	4.1	5.1	5.1
8.0%	7.0%	7.3%	6.8%	4.9%	4.0%	3.6%	3.3%	4.0%
25.7%	17.2%	18.7%	16.6%	7.7%	15.8%	15.6%	14.0%	12.7%

taxes. Does not include (1) social security taxes, or (2) federal excise taxes and certain sales taxes which are not included in sales or costs.

(g) These data cover employees on the payroll and their total earnings for the year, including the Company cost of applicable pensions, insurance and other employee benefits. Also included are data for 11,496 employees at atomic projects operated

for the U.S. Government at Hanford, Wash., and Schenectady, N.Y.

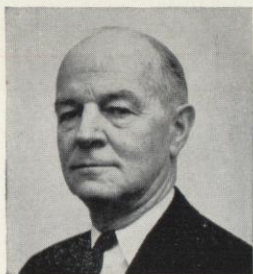
(h) Total share owners' investment (ownership) plus long-term debt and notes payable as of December 31 each year.

(i) Index numbers 1947-1949=100. Data for 1942-1945 were omitted because production was largely for war purposes.

(j) Net earnings for the year—before interest on money borrowed—in relation to capital invested at the close of the year.

General Electric's Board of Directors

The Board includes 19 members, two of whom are members of the Company's management. The other Directors bring to bear on the Company's problems distinguished experience from many fields of endeavor, including agriculture, banking and finance, education, food, marketing, mining, paper, textiles, and transportation. The average age of the 19 Directors is 57 and their years of service as Directors of the Company average 10.3 years.



CHARLES D. DICKEY
Chairman of the Executive
Committee and Director,
J. P. Morgan & Co., Inc.,
New York, N. Y.
A Director for 16 years.



FREDERICK L. HOYDE
President,
Purdue University,
Lafayette, Ind.
A Director for 1 year.



NEIL H. McELROY
President and Director,
The Procter & Gamble Co.,
Cincinnati, Ohio
A Director for 7 years.



SIDNEY J. WEINBERG
Partner,
Goldman, Sachs & Co.,
New York, N. Y.
A Director for 12 years.



HENRY FORD II
President and Director,
Ford Motor Co.,
Dearborn, Mich.
A Director for 2 years.



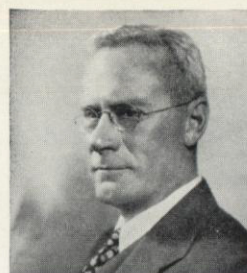
GILBERT W. HUMPHREY
Vice President and Director,
M. A. Hanna Co.,
Cleveland, Ohio
A Director for 2 years.



GEORGE G. MONTGOMERY
President and Director,
Kern County Land Co.,
San Francisco, Calif.
A Director for 9 years.



LEWIS B. WILLIAMS
Honorary Chairman of the
Board and Director,
The National City Bank
of Cleveland,
Cleveland, Ohio
A Director for 22 years.



S. SLOAN COLT
Chairman of the Board
and Director,
Bankers Trust Co.,
New York, N. Y.
A Director for 17 years.



G. PEABODY GARDNER
Trustee,
Boston, Mass.
A Director for 18 years.



GEORGE H. LOVE
Chairman of the Board and Director,
Pittsburgh Consolidation
Coal Co., Pittsburgh, Pa.
A Director for 7 years.



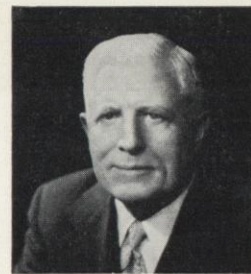
HENRY S. MORGAN
Partner,
Morgan Stanley & Co.,
New York, N. Y.
A Director for 17 years.



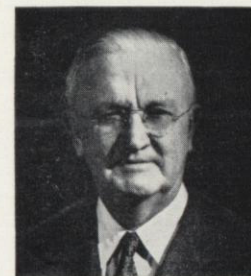
ROBERT W. WOODRUFF
Chairman of the Finance
Committee and Director,
The Coca-Cola Co.,
Atlanta, Ga.
A Director for 9 years.



DONALD K. DAVID
Chairman of the
Executive Committee,
The Ford Foundation,
Osterville, Mass.
A Director for 12 years.



JOHN HOLMES
Chairman of the Board
and Director,
Swift & Co., Chicago, Ill.
A Director for 8 years.



THOMAS B. McCABE
President and Director,
Scott Paper Co., Chester, Pa.
A Director for 5 years.



ROBERT T. STEVENS
President and Director,
J. P. Stevens & Co., Inc.,
New York, N. Y.
A Director for 7 years.

MANAGEMENT MEMBERS:

RALPH J. CORDINER
President,
A Director for 8 years.

PHILIP D. REED
Chairman of the Board,
A Director for 17 years.

General Electric's Decentralized Organization

The importance of professional management to the continuing success of General Electric makes it advisable from time to time to introduce to the share owners the Company's Officers and

Division General Managers. The 49 Officers and Division General Managers pictured on this and the following pages have an average age of 53 and average service of 28 years.

President's Office



RALPH J. CORDINER
President and Director
Age: 56. Years of service: 31.



PHILIP D. REED
Chairman of the Board and
Director,
Public, Governmental and
International Liaison,
Finance and Investment.
Age: 57. Years of service: 30.



JOHN W. BELANGER
Executive Vice President,
Industrial Components
and Materials Group.
Age: 55. Years of service: 40.



ROY W. JOHNSON
Executive Vice President,
Consumer Products Group.
Age: 51. Years of service: 22.



CRAMER W. LAPIERRE
Executive Vice President,
Electronic, Atomic and Defense
Systems Group.
Age: 52. Years of service: 31.



ROBERT PAXTON
Executive Vice President,
Apparatus Group.
Age: 55. Years of service: 34.

Services



FRED J. BORCH
Vice President,
Marketing.
Age: 46. Years of service: 25.



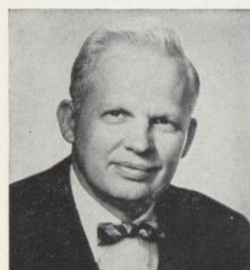
LEMUEL R. BOULWARE
Vice President,
Public & Employee Relations.
Age: 61. Years of service: 12.



CLARENCE H. LINDER
Vice President,
Engineering.
Age: 54. Years of service: 33.



JOHN D. LOCKTON
Treasurer
Age: 53. Years of service: 31.



RAY H. LUEBBE
Vice President,
General Counsel and Secretary.
Age: 56. Years of service: 28.



GERALD L. PHILLIPPE
Comptroller
Age: 47. Years of service: 23.



HAROLD F. SMIDDY
Vice President,
Management Consultation.
Age: 56. Years of service: 9.

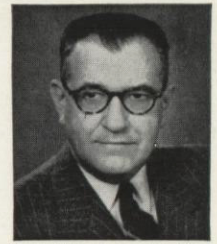


C. GUY SUITS
Vice President and
Director of Research.
Age: 51. Years of service: 27.



ARTHUR F. VINSON
Vice President,
Manufacturing.
Age: 49. Years of service: 28.

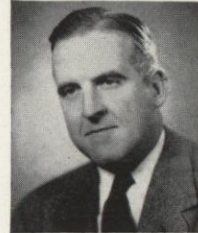
Operations



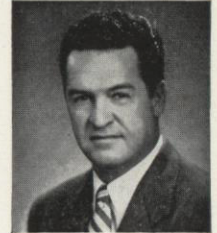
WALTER R. G. BAKER
Vice President, Consultant to the
Group Executive—Electronic,
Atomic and
Defense Systems Group.
Age: 64. Years of service: 34.



ROBERT L. GIBSON
Vice President and
General Manager, Chemical &
Metallurgical Division.
Age: 53. Years of service: 31.



WILLIAM S. GINN
Vice President and
General Manager
Turbine Division.
Age: 41. Years of service: 21.



JAMES H. GOSS
President
Canadian General Electric
Company, Limited.
Age: 49. Years of service: 26.



FRANCIS K. McCUNE
Vice President and
General Manager
Atomic Products Division.
Age: 50. Years of service: 29.



DONALD L. MILLHAM
Vice President and
General Manager
Lamp Division.
Age: 51. Years of service: 31.



GEORGE F. MOSHER
President and
General Manager
General Electric Credit Corp.
Age: 60. Years of service: 38.



WILLARD H. SAHLOFF
Vice President and
General Manager
Housewares & Radio Receiver
Division.
Age: 49. Years of service: 7.

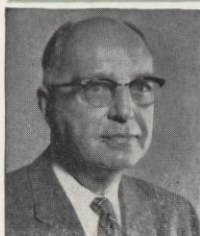


JOHN C. SHARP
President and General Manager
Hotpoint Co. Division.
Age: 56. Years of service: 28.



RAYMOND W. SMITH
General Manager
Transformer Division.
Age: 51. Years of service: 29.

Commercial Vice Presidents



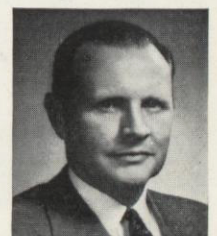
EDWIN H. HOWELL
Southwestern Region
Age: 56. Years of service: 35.



GEORGE L. IRVINE
Central Region
Age: 49. Years of service: 27.



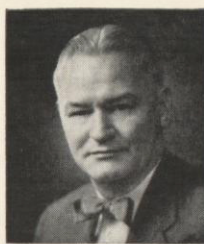
SAMUEL LITTLEJOHN
East Central Region
Age: 60. Years of service: 38.



WILLIAM A. MANN
Mid-States Region
Age: 55. Years of service: 34.



C. HOWARD BLACK
General Manager
Construction Materials Division.
Age: 52. Years of service: 33.



GEORGE E. BURENS
Vice President and
General Manager
Switchgear & Control Division.
Age: 51. Years of service: 36.



JAMES M. CRAWFORD
Vice President and
General Manager
Motor & Generator Division.
Age: 58. Years of service: 35.



L. BERKLEY DAVIS
General Manager
Electronic Components Division.
Age: 45. Years of service: 12.



GEORGE L. HALLER
General Manager
Defense Electronics Division.
Age: 49. Years of service: 2.



W. ROGERS HEROD
Vice President,
President—
International
General Electric Co. Division.
Age: 59. Years of service: 38.



REGINALD H. JONES
General Manager
Air Conditioning Division.
Age: 39. Years of service: 18.



HAROLD A. MacKINNON
Vice President and
General Manager
Component Products Division.
Age: 54. Years of service: 35.



WILLIAM V. O'BRIEN
Vice President and
General Manager
Apparatus Sales Division.
Age: 56. Years of service: 34.



JACK S. PARKER
Vice President and
General Manager
Aircraft Gas Turbine Division.
Age: 38. Years of service: 7.



CHARLES R. PRITCHARD
Vice President and
General Manager
General Electric Supply Company
Division.
Age: 55. Years of service: 27.



CHARLES K. RIEGER
Vice President and
General Manager
Appliance & Television
Receiver Division.
Age: 41. Years of service: 21.



HAROLD E. STRANG
Vice President and
General Manager
Measurements &
Industrial Products Division.
Age: 55. Years of service: 35.



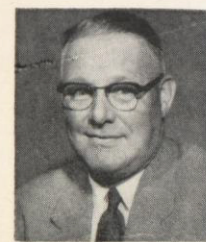
HAROLD A. STRICKLAND, JR.
General Manager
Industrial Electronics Division.
Age: 42. Years of service: 7.



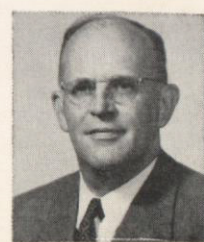
GLENN B. WARREN
Vice President
Consulting Engineer—
Turbine Division.
Age: 59. Years of service: 38.



WILLIAM C. WICHMAN
Vice President and
General Manager
Industrial Power
Components Division.
Age: 50. Years of service: 29.



HAROLD A. OLSON
Northeastern Region
Age: 58. Years of service: 37.



CARTER L. REDD
Southeastern Region
Age: 55. Years of service: 35.



WARDE B. STRINGHAM
Atlantic Region
Age: 58. Years of service: 23.



CLARENCE C. WALKER
Western Region
Age: 56. Years of service: 36.

DETERMINING EMPLOYEE ATTITUDES ON:

- SUPERVISION
- WORKING CONDITIONS
- COMPENSATION
- FUTURE OPPORTUNITY
- GROUP HARMONY
- GENERAL MANAGEMENT
- COMMUNICATION
- OPERATING EFFICIENCY



ATTITUDE RESEARCH provides sound base for General Electric's good relationships with employees and neighbors in 123 plant communities.



OPERATIONS RESEARCH AND SYNTHESIS help managers and individual contributors gain a clearer view of complex business operations.



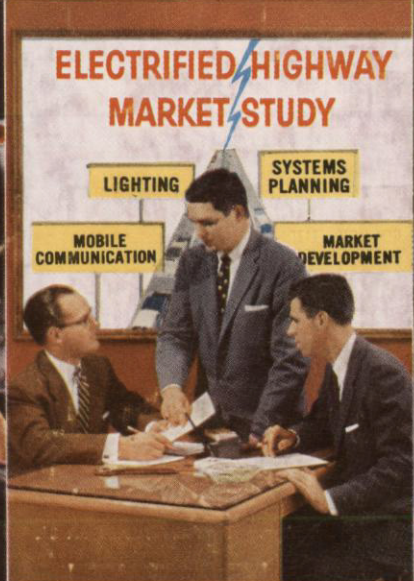
RESEARCH IN OPPORTUNITY: New personnel register uses electronic system to make sure all qualified people are considered for engineering openings.



RESEARCH IN MANUFACTURING: Typical Manufacturing Laboratory project is use of plastic dies permitting savings of 90% in some tooling operations.



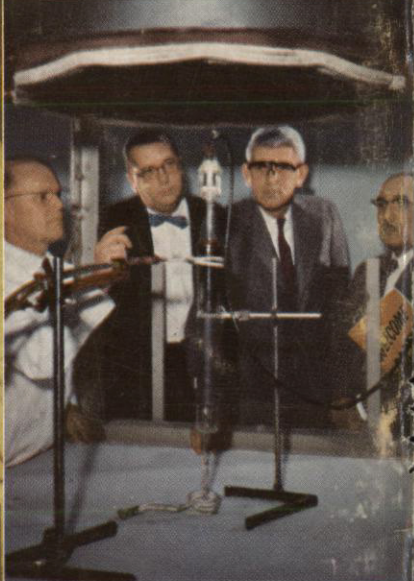
RESEARCH IN SCIENCE: New "memory cell" from Company's Research Laboratory makes possible smaller computers with bigger memories.



RESEARCH IN MARKETING: An integrated approach to the electrified highway market is a major current General Electric marketing study.



ATOMIC DEVELOPMENT: Preparing the way for peaceful use of the atom, metallurgist works on special metals used in fabricating atomic fuels.



TOWARD A BETTER BUSINESS CLIMATE: As one means of helping citizens know business better, physicians enjoy special day at Electronics Park.

"General Electric's interpretation of 'progress' includes a deep concern for the human as well as the material values. A cross section of the Company's research, for example, would show General Electric people directing their explorations toward human and social advancement along with their explorations into the physical sciences."

From the President's comments... Page 1

Progress Is Our Most Important Product

